Senate Bill No. 71

CHAPTER 728

An act to amend Sections 1917.1, 2028.5, 3627, 4076.5, 5092, 5093, 5094.6, 12104, and 19622.2 of, and to repeal Sections 2023, 2028, 2168.5, 3628, 3640.1, 5094.5, and 7139.7 of, the Business and Professions Code, to repeal Section 9527 of the Commercial Code, to amend Sections 14030.2, 14037.7, and 14076 of the Corporations Code, to amend Sections 1986, 17285, 17292.5, 20080, 22352, 24400, 42263, 48005.45, 52314, 53101, and 66040.7 of, and to repeal Sections 8007, 18884, 20081, 20082, and 22218.5 of, the Education Code, to amend Sections 7571 and 17555 of the Family Code, to amend Sections 456, 1727, 1850, 2079, 2086, 2861, and 7862 of, and to repeal Sections 1363.5, 1851, 3409, 3864, 4904, and 8610.10 of the Fish and Game Code, to repeal Sections 12794.5, 54446, and 58591 of the Food and Agricultural Code, to amend Sections 8169.5, 8587.5, 13103.5, 14453, 14613.7, 15438.6, 16367.5, 16428.6, 17562, 19849.11, 22959.6, 30061, and 64000 of, to repeal Sections 8164, 11535, 12805.4, 14051, 14556.36, 14714, 15813.6, 20233, and 20238 of, to repeal Article 3 (commencing with Section 11675) of Chapter 6 of Part 1 of Division 3 of Title 2 of, to repeal Article 5 (commencing with Section 14760) of Chapter 5 of Part 5.5 of Division 3 of Title 2 of, the Government Code, to repeal Sections 63.6 and 1159.5 of the Harbors and Navigation Code, to amend Sections 1342.7, 1357.16, 1626, 24275, 25150.7, 25174, 25299.50, 43105.5, 44003, 44014.6, 44024, 44081.6, 44100, 44104.5, 100500, 104200, 109951, 110552, 111198, 120910, 120955, 121285, 121340, 123516, 124174.5, 124590, 128600, and 130252 of, and to repeal Sections 25244.11, 25299.112, 102920, 103641, 120476, 124925, and 128557.5 of, the Health and Safety Code, to amend Section 15002 of, to repeal Section 1872.1 of the Insurance Code, to amend Sections 111, 3201.5, 3201.7, 3716.1, 4755, and 5502 of the Labor Code, to amend Section 431 of the Military and Veterans Code, to amend Sections 3049.5, 3050, 4801, 6131, 6242.6, 8061, 11166,11501, 13777, and 13847 of, and to repeal Section 1174.7 of, the Penal Code, to amend Sections 4124, 4137, 4214, 5004.5, 5095.53, 5096.162, 5096.242, 5096.320, 5096.340, 5631, 6217.8, 6331.5, 25401.9, 25722.5, 25722.8, 32556, 41821.5, and 71211 of, to amend, repeal, and add Section 30404 of, to repeal Sections 4612, 5632, 12290, 12291, 29773.5, 30533, 32556.2, 42889.3, 47123, and 5096.829 of, the Public Resources Code, to amend Section 185032 of, to repeal Section 9502 of, the Public Utilities Code, to amend Sections 8352.4 and 10752.2 of the Revenue and Taxation Code, to amend Sections 97, 164.56, 182.8, 2424, and 30161.5 of the Streets and Highways Code, to repeal Section 9907 of the Unemployment Insurance Code, to amend Sections 9250.7, 9250.14, and 9250.19 of the Vehicle Code, to amend Sections 162, 1228.2, 13369, 13396.9, 79083, and 79555 of, and to repeal Sections 138.9 and 78684.13 of, and to repeal Chapter 4 (commencing with Section 80250) of Division 27 of, the Water Code, to

amend Sections 1760.8, 4024, 6601, 10605.2, 10614.5, 10791, 11265.5, 11462, 14005.30, 14021.31, 14022.4, 14067, 14087.305, 14089, 14089.05, 14091.3, 14094.3, 14132, 14133.9, 14161, 14521.1, 14701, 18901.2, and 18993.8 of, and to repeal Section 19106 of, the Welfare and Institutions Code, to amend Section 2 of Chapter 133 of the Statutes of 1984, to amend Section 1 of Chapter 1436 of the Statutes of 1988, to amend Section 5 of Chapter 585 of the Statutes of 1993, to amend Section 3 of Chapter 1030 of the Statutes of 1993, to amend Section 1 of Chapter 561 of the Statutes of 1997, to amend Section 8 of Chapter 329 of the Statutes of 2000, to amend Section 2 of Chapter 790 of the Statutes of 2000, to amend Section 5 of Chapter 7 of the First Extraordinary Session of 2001, to amend Section 24 of Chapter 1127 of the Statutes of 2002, to amend Section 37 of Chapter 80 of the Statutes of 2005, to amend Item 0690-102-0001 of Section 2.00 of the Budget Act of 2006 (Chapter 47 of the Statutes of 2006), to amend Item 0690-102-0001 of Section 2.00 of the Budget Act of 2007 (Chapter 171 of the Statutes of 2007), to amend Section 41 of Chapter 177 of the Statutes of 2007, to repeal Section 3 of Chapter 1397 of the Statutes of 1988, to repeal Resolution Chapter 173 of the Statutes of 1989, to repeal Resolution Chapter 12 of the Statutes of 1990, to repeal Section 1 of Chapter 452 of the Statutes of 1996, to repeal Section 3 of Chapter 791 of the Statutes of 1997, to repeal Section 51 of Chapter 171 of the Statutes of 2001, to repeal Section 2 of Chapter 87 of the Statutes of 2003, to repeal the second Section 2 of Chapter 642 of the Statutes of 2007, to repeal Section 72 of Chapter 758 of the Statutes of 2008, to repeal Section 38 of Chapter 759 of the Statutes of 2008, to repeal Section 173 of Chapter 717 of the Statutes of 2010, and to repeal Sections 37 and 38 of Chapter 6 of the Statutes of 2011, relating to state government.

[Approved by Governor September 28, 2012. Filed with Secretary of State September 28, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 71, Leno. State agencies: boards, commissions, and reports.

(1) Existing law requires various state agencies to submit certain reports, plans, evaluations, and other similar documents to the Legislature and other state agencies.

This bill would eliminate the requirement that certain state agencies submit certain reports to the Legislature and other state agencies relating to a variety of subjects. The bill would also modify various requirements of certain reports by, among other ways, requiring specified reports be placed on the Internet Web site of the reporting agency rather than submitted to the Legislature or other state agencies, requiring certain agencies to collaborate with other agencies in preparing specified reports, consolidating certain reports, deleting the requirement that specified state agencies make specified information available on their Internet Web sites, and transferring reporting duties from one agency to another.

This bill would make various conforming changes.

(2) Existing law requires the Secretary of the Natural Resources Agency to convene a committee to develop and submit to the Governor and the Legislature, on or before December 31, 2008, a Strategic Vision for a Sustainable Sacramento-San Joaquin Delta.

This bill would repeal the provisions establishing that committee.

(3) Existing law, the Naturopathic Doctors Act, provides for the licensure and regulation of naturopathic doctors by the Naturopathic Medicine Committee within the Osteopathic Medical Board of California. Existing law also requires the committee to establish a naturopathic childbirth attendance advisory subcommittee to issue recommendations concerning the practice of naturopathic childbirth attendance based upon a review of naturopathic medical education and training, as specified.

This bill would repeal the provisions providing for the establishment of this subcommittee.

(4) Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy. Existing law requires an applicant for an accountancy license to complete a minimum of 24 semester units in accounting subjects and a minimum of 24 semester units in business-related subjects. Existing law, on and after January 1, 2014, requires an applicant for an accountancy license to complete an additional 10 semester units or 15 quarter units in ethics study and 20 units in accounting study. Existing law establishes the Advisory Committee on Accounting Ethics Curriculum within the jurisdiction of the board to, by January 1, 2012, recommend guidelines for the ethics study requirement to the board.

This bill would repeal the provisions establishing the Advisory Committee on Accounting Ethics Curriculum and would make related conforming and technical changes.

(5) Existing law establishes the Committee of Executive Salaries, and requires the committee to study issues relating to executive salaries in the private and public sector, and to report to the Legislature on a biannual basis its findings and recommended changes.

This bill would repeal the provisions establishing the committee.

(6) Existing law requires the State Department of Public Health to regulate certain types of candy, as defined, and requires the department to convene an interagency collaborative to serve as an oversight committee for the implementation of those provisions and to work with the department in establishing and revising the required standards.

This bill would repeal those provisions establishing the interagency collaborative and would make technical and conforming changes.

(7) Existing law creates the Fraud Division within the Department of Insurance to enforce specific provisions of law regarding crimes against insured property and insurance fraud reporting. Existing law creates the advisory committee on automobile insurance fraud and economic automobile theft prevention within the division to recommend ways to coordinate the investigation, prosecution, and prevention of automobile insurance claims fraud, and to provide assistance to the division towards implementing the

goal of reducing the frequency and severity of fraudulent automobile insurance claims, among other things.

This bill would repeal the provisions establishing the advisory committee.

(8) This bill would make various technical and conforming changes.

The people of the State of California do enact as follows:

SECTION 1. Section 1917.1 of the Business and Professions Code is amended to read:

1917.1. (a) The committee may grant a license as a registered dental hygienist to an applicant who has not taken a clinical examination before the committee, if the applicant submits all of the following to the committee:

(1) A completed application form and all fees required by the committee.

(2) Proof of a current license as a registered dental hygienist issued by another state that is not revoked, suspended, or otherwise restricted.

(3) Proof that the applicant has been in clinical practice as a registered dental hygienist or has been a full-time faculty member in an accredited dental hygiene education program for a minimum of 750 hours per year for at least five years preceding the date of his or her application under this section. The clinical practice requirement shall be deemed met if the applicant provides proof of at least three years of clinical practice and commits to completing the remaining two years of clinical practice by filing with the committee a copy of a pending contract to practice dental hygiene in any of the following facilities:

(A) A primary care clinic licensed under subdivision (a) of Section 1204 of the Health and Safety Code.

(B) A primary care clinic exempt from licensure pursuant to subdivision (c) of Section 1206 of the Health and Safety Code.

(C) A clinic owned or operated by a public hospital or health system.

(D) A clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code.

(4) Satisfactory performance on a California law and ethics examination and any examination that may be required by the committee.

(5) Proof that the applicant has not been subject to disciplinary action by any state in which he or she is or has been previously licensed as a registered dental hygienist or dentist. If the applicant has been subject to disciplinary action, the committee shall review that action to determine if it warrants refusal to issue a license to the applicant.

(6) Proof of graduation from a school of dental hygiene accredited by the Commission on Dental Accreditation.

(7) Proof of satisfactory completion of the Dental Hygiene National Board Examination and of a state or regional clinical licensure examination.

(8) Proof that the applicant has not failed the examination for licensure to practice dental hygiene under this chapter more than once or once within

five years prior to the date of his or her application for a license under this section.

(9) Documentation of completion of a minimum of 25 units of continuing education earned in the two years preceding application, including completion of any continuing education requirements imposed by the committee on registered dental hygienists licensed in this state at the time of application.

(10) Any other information as specified by the committee to the extent that it is required of applicants for licensure by examination under this article.

(b) The committee may periodically request verification of compliance with the requirements of paragraph (3) of subdivision (a), and may revoke the license upon a finding that the employment requirement or any other requirement of paragraph (3) of subdivision (a) has not been met.

(c) The committee shall provide in the application packet to each out-of-state dental hygienist pursuant to this section the following information:

(1) The location of dental manpower shortage areas in the state.

(2) Any not-for-profit clinics, public hospitals, and accredited dental hygiene education programs seeking to contract with licensees for dental hygiene service delivery or training purposes.

SEC. 2. Section 2023 of the Business and Professions Code is repealed.

SEC. 3. Section 2028 of the Business and Professions Code is repealed.

SEC. 4. Section 2028.5 of the Business and Professions Code is amended to read:

2028.5. (a) The board may establish a pilot program to expand the practice of telemedicine in this state.

(b) To implement this pilot program, the board may convene a working group of interested parties from the public and private sectors, including, but not limited to, state health-related agencies, health care providers, health plan administrators, information technology groups, and groups representing health care consumers.

(c) The purpose of the pilot program shall be to develop methods, using a telemedicine model, to deliver throughout the state health care to persons with chronic diseases as well as information on the best practices for chronic disease management services and techniques and other health care information as deemed appropriate.

SEC. 5. Section 2168.5 of the Business and Professions Code is repealed.

SEC. 6. Section 3627 of the Business and Professions Code is amended to read:

3627. (a) The committee shall establish a naturopathic formulary advisory subcommittee to determine a naturopathic formulary based upon a review of naturopathic medical education and training.

(b) The naturopathic formulary advisory subcommittee shall be composed of an equal number of representatives from the clinical and academic settings of physicians and surgeons, pharmacists, and naturopathic doctors.

(c) The naturopathic formulary advisory subcommittee shall review naturopathic education, training, and practice and make specific recommendations regarding the prescribing, ordering, and furnishing authority of a naturopathic doctor and the required supervision and protocols for those functions.

SEC. 7. Section 3628 of the Business and Professions Code is repealed.

SEC. 8. Section 3640.1 of the Business and Professions Code is repealed.

SEC. 9. Section 4076.5 of the Business and Professions Code is amended to read:

4076.5. (a) The board shall promulgate regulations that require, on or before January 1, 2011, a standardized, patient-centered, prescription drug label on all prescription medicine dispensed to patients in California.

(b) To ensure maximum public comment, the board shall hold public meetings statewide that are separate from its normally scheduled hearings in order to seek information from groups representing consumers, seniors, pharmacists or the practice of pharmacy, other health care professionals, and other interested parties.

(c) When developing the requirements for prescription drug labels, the board shall consider all of the following factors:

(1) Medical literacy research that points to increased understandability of labels.

(2) Improved directions for use.

(3) Improved font types and sizes.

(4) Placement of information that is patient-centered.

(5) The needs of patients with limited English proficiency.

(6) The needs of senior citizens.

(7) Technology requirements necessary to implement the standards.

(d) The board may exempt from the requirements of regulations promulgated pursuant to subdivision (a) prescriptions dispensed to a patient in a health facility, as defined in Section 1250 of the Health and Safety Code, if the prescriptions are administered by a licensed health care professional. Prescriptions dispensed to a patient in a health facility that will not be administered by a licensed health care professional or that are provided to the patient upon discharge from the facility shall be subject to the requirements of this section and the regulations promulgated pursuant to subdivision (a). Nothing in this subdivision shall alter or diminish existing statutory and regulatory informed consent, patients' rights, or pharmaceutical labeling and storage requirements, including, but not limited to, the requirements of Section 1418.9 of the Health and Safety Code or Section 72357, 72527, or 72528 of Title 22 of the California Code of Regulations.

(e) (1) The board may exempt from the requirements of regulations promulgated pursuant to subdivision (a) a prescription dispensed to a patient if all of the following apply:

(A) The drugs are dispensed by a JCAHO-accredited home infusion or specialty pharmacy.

(B) The patient receives health-professional-directed education prior to the beginning of therapy by a nurse or pharmacist.

(C) The patient receives weekly or more frequent followup contacts by a nurse or pharmacist.

(D) Care is provided under a formal plan of care based upon a physician and surgeon's orders.

(2) For purposes of paragraph (1), home infusion and specialty therapies include parenteral therapy or other forms of administration that require regular laboratory and patient monitoring.

SEC. 10. Section 5092 of the Business and Professions Code is amended to read:

5092. (a) To qualify for the certified public accountant license, an applicant who is applying under this section shall meet the education, examination, and experience requirements specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article. The board may adopt regulations as necessary to implement this section.

(b) An applicant for the certified public accountant license shall present satisfactory evidence that the applicant has completed a baccalaureate or higher degree conferred by a college or university, meeting, at a minimum, the standards described in Section 5094, the total educational program to include a minimum of 24 semester units in accounting subjects and 24 semester units in business related subjects. This evidence shall be provided prior to admission to the examination for the certified public accountant license, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(c) An applicant for the certified public accountant license shall pass an examination prescribed by the board pursuant to this article.

(d) The applicant shall show, to the satisfaction of the board, that the applicant has had two years of qualifying experience. This experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. To be qualifying under this section, experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy. Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy.

(e) This section shall become inoperative on January 1, 2014, but shall become or remain operative if either the educational requirements in ethics study and accounting study established by subdivision (b) of Section 5093 and Section 5094.6 are reduced or eliminated or if the practice privilege requirements of Sections 5096 to 5096.15, inclusive, are amended or repealed.

(f) The amendment to Section 5096.12 made by the act adding this subdivision shall not be deemed an amendment of that section for purposes of subdivision (e).

SEC. 11. Section 5093 of the Business and Professions Code is amended to read:

5093. (a) To qualify for the certified public accountant license, an applicant who is applying under this section shall meet the education, examination, and experience requirements specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article. The board may adopt regulations as necessary to implement this section.

(b) (1) An applicant for admission to the certified public accountant examination under the provisions of this section shall present satisfactory evidence that the applicant has completed a baccalaureate or higher degree conferred by a degree-granting university, college, or other institution of learning accredited by a regional or national accrediting agency included in a list of these agencies published by the United States Secretary of Education under the requirements of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.), or meeting, at a minimum, the standards described in subdivision (c) of Section 5094. The total educational program shall include a minimum of 24 semester units in accounting subjects and 24 semester units in business-related subjects. This evidence shall be provided at the time of application for admission to the examination, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(2) An applicant for issuance of the certified public accountant license under the provisions of this section shall present satisfactory evidence that the applicant has completed at least 150 semester units of college education including a baccalaureate or higher degree conferred by a college or university, meeting, at a minimum, the standards described in Section 5094, the total educational program to include a minimum of 24 semester units in accounting subjects, 24 semester units in business-related subjects, and, after December 31, 2013, shall also include a minimum of 10 units of ethics study consistent with the requirements set forth in Section 5094.3 and 20 units of accounting study consistent with the regulations promulgated under subdivision (a) of Section 5094.6. This evidence shall be presented at the time of application for the certified public accountant license. Nothing herein shall be deemed inconsistent with Section 5094 or 5094.6. Nothing herein shall be construed to be inconsistent with prevailing academic practice regarding the completion of units.

(c) An applicant for the certified public accountant license shall pass an examination prescribed by the board.

(d) The applicant shall show, to the satisfaction of the board, that the applicant has had one year of qualifying experience. This experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory,

tax or consulting skills. To be qualifying under this section, experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy. Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy.

(e) Applicants completing education at a college or university located outside of this state, meeting, at a minimum, the standards described in Section 5094, shall be deemed to meet the educational requirements of this section if the board determines that the education is substantially equivalent to the standards of education specified under this chapter.

SEC. 12. Section 5094.5 of the Business and Professions Code is repealed.

SEC. 13. Section 5094.6 of the Business and Professions Code is amended to read:

5094.6. (a) The board shall, no later than January 1, 2012, by regulation, adopt guidelines for accounting study to be included as part of the education required under Section 5093. In promulgating these regulations, the board shall consider the views of the Accounting Education Advisory Committee established under Section 5094.7.

(b) No later than six months following the issuance of the report by the California Research Bureau regarding the Uniform Accountancy Act's 150-hour rule, the board shall hold a hearing on the report. At the hearing, the board shall make recommendations, based on that report, to the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants for ensuring the relevancy of accountancy education to the modern practice of accounting and shall approve a plan for the board to seek the adoption of those recommendations and any others the board may recommend related to enforcement and Internet disclosure.

(c) For purposes of this section,

"accounting study" means independent study or other academic work in accounting, business, ethics, business law, or other academic work relevant to accounting and business, so as to enhance the competency of students as practitioners.

SEC. 14. Section 7139.7 of the Business and Professions Code is repealed.

SEC. 15. Section 12104 of the Business and Professions Code is amended to read:

12104. (a) The department shall issue instructions and make recommendations to the county sealers, and the instructions and recommendations shall govern the procedure to be followed by these officers in the discharge of their duties.

(b) Instructions and recommendations which are made to insure statewide weights and measures protection shall include a local administration cost analysis utilizing data provided by the county sealer. The cost analysis shall

identify the joint programs or activities for which funds necessary to maintain adequate county administration and enforcement have not been provided. The director shall develop, jointly with the county sealers, county priorities for the enforcement programs and activities of the director.

SEC. 16. Section 19622.2 of the Business and Professions Code is amended to read:

19622.2. (a) The authority of the Department of Food and Agriculture shall include, but is not limited to, requiring district agricultural associations to meet all applicable standards prescribed by the Department of Food and Agriculture.

(b) The department may delegate approval authority for such matters as the department may determine to the board of directors if the board complies with this section.

(c) Notwithstanding any other law, and in order to protect the integrity of the Fair and Exposition Fund, the department may assume any or all rights, duties, and powers of the board of directors of a district agricultural association if the department reasonably determines that there is insufficient fiscal or administrative control. The board of directors shall again exercise these rights, duties, and powers when the department determines that the fair is in compliance with this section.

(d) The department may petition a court of competent jurisdiction for an order appointing the department, or a person designated by the department, as a receiver if it determines that the fair is insolvent, or is in imminent danger of insolvency. The court shall appoint a receiver upon a showing that the fair is insolvent, or is in imminent danger of insolvency.

(e) For the purposes of this section, "insolvency" means that the district agricultural association is unable to discharge its debts as they become due in the usual course of business.

SEC. 17. Section 9527 of the Commercial Code is repealed.

SEC. 18. Section 14030.2 of the Corporations Code is amended to read:

14030.2. (a) The director may establish accounts within the expansion fund for loan guarantees and surety bond guarantees, including loan loss reserves. Each account is a legally separate account, and shall not be used to satisfy loan or surety bond guarantees or other obligations of another corporation. The director shall recommend whether the expansion fund and trust fund accounts are to be leveraged, and if so, by how much. Upon the request of the corporation, the director's decision may be repealed or modified by a board resolution.

(b) Annually, not later than January 1 of each year commencing January 1, 1996, the director shall prepare a report regarding the loss experience for the expansion fund for loan guarantees and surety bond guarantees for the preceding fiscal year. At a minimum, the report shall also include data regarding numbers of surety bond and loan guarantees awarded through the expansion fund, including ethnicity and gender data of participating contractors and other entities, and experience of surety insurer participants in the bond guarantee program. The report shall include the information described in Section 14076 of the Corporations Code. The director shall

submit that report to the Secretary of Business, Transportation and Housing for transmission to the Governor and the Legislature.

SEC. 19. Section 14037.7 of the Corporations Code is amended to read:

14037.7. Pursuant to subdivision (f) of Section 8684.2 of the Government Code, within 60 days of the conclusion of the period for guaranteeing loans under any small business disaster loan guarantee program conducted for a disaster as authorized by Section 8684.2 of the Government Code or Section 14075, the agency shall provide a report to the Legislature on loan guarantees approved and rejected by gender, ethnic group, type of business and location, and each participating loan institution. The agency need only submit one report to comply with this section and subdivision (f) of Section 8684.2 of the Government Code.

SEC. 20. Section 14076 of the Corporations Code, as added by Section 8 of Chapter 601 of the Statutes of 2007, is amended to read:

14076. (a) It is the intent of the Legislature that the corporations make maximal use of their statutory authority to guarantee loans and surety bonds, including the authority to secure loans with a minimum loan loss reserve of only 25 percent, unless the agency authorizes a higher leverage ratio for an individual corporation pursuant to subdivision (b) of Section 14037, so that the financing needs of small business may be met as fully as possible within the limits of corporations' loan loss reserves. The agency shall report annually to the Legislature on the financial status of the corporations and their portfolio of loans and surety bonds guaranteed. The agency shall include this information in the annual report submitted to the Legislature by the director pursuant to subdivision (b) of Section 14030.2.

(b) Any corporation that serves an area declared to be in a state of emergency by the Governor or a disaster area by the President of the United States, the Administrator of the United States Small Business Administration, or the United States Secretary of Agriculture shall increase the portfolio of loan guarantees where the dollar amount of the loan is less than one hundred thousand dollars ($100,000), so that at least 15 percent of the dollar value of loans guaranteed by the corporation is for those loans. The corporation shall comply with this requirement within one year of the date the emergency or disaster is declared. Upon application of a corporation, the director may waive or modify the rule for the corporation if the corporation demonstrates that it made a good faith effort to comply and failed to locate lending institutions in the region that the corporation serves that are willing to make guaranteed loans in that amount.

(c) This section shall become operative on January 1, 2013.

SEC. 21. Section 1986 of the Education Code is amended to read:

1986. (a) The Legislature hereby recognizes that community schools are a permissive educational program.

(b) If a county superintendent of schools elects to operate a community school pursuant to this chapter, he or she shall do one or more of the following:

(1) Utilize available school facilities that conform to the requirements of Part 2 (commencing with Section 2-101), Part 3 (commencing with

Section 3-089-1), Part 4 (commencing with Section 4-403), and Part 5 (commencing with Section 5-102), of Title 24 of the California Code of Regulations.

(2) Apply for emergency portable classrooms pursuant to Section 17717.2 or Chapter 25 (commencing with Section 17785) of Part 10.

(3) Enter into lease agreements provided that the facilities are limited to one of the following:

(A) Single story, wood-framed structure.

(B) Single story, light steel frame structure.

(C) A structure where a structural engineer has submitted a report that determines substantial structural hazards do not exist. The county board of education shall review the report prior to approval of the lease and may reject the report if there is any evidence of fraud regarding the facts in the report.

(c) Before entering into any lease pursuant to paragraph (3) of subdivision (b), the county superintendent of schools shall certify that all reasonable efforts have been made to locate community schools in facilities that conform to the structural safety standards listed in paragraph (1) of subdivision (b).

(d) This section shall become operative on July 1, 1990.

SEC. 22. Section 8007 of the Education Code is repealed.

SEC. 23. Section 17285 of the Education Code is amended to read:

17285. (a) Notwithstanding any provision of law except Sections 17286, 17287, 17405, and this section, a leased building that does not meet the requirements of Section 17280 may not be used as a school building, as defined in Section 17283, after September 1, 1990.

(b) A school district may lease a commercial building prior to January 1, 2003, that does not meet the requirements of Section 17280, for use as a school building, as defined in Section 17283, if the governing board of the district finds that all of the following conditions have been met:

(1) The building was constructed in accordance with seismic safety standards for commercial buildings constructed within an earthquake zone.

(2) The building permit for the initial construction of the building was issued on or after January 1, 1990.

(3) A structural engineer has inspected the building and submitted a report to the governing board of the school district that certifies that the building is in substantial compliance with the requirements of the Field Act. This certification requirement is satisfied if the structural engineer affixes his or her seal of approval to the report and he or she attests in that report that to the best of his or her knowledge:

(A) He or she has reviewed the design calculations, construction documents, and the local government construction inspection records of the building to the extent available.

(B) He or she has authorized testing and has observed or reviewed the test results and the inspections of an adequate sample of the structure's welds, anchor bolts, and other structural elements.

(C) He or she has observed that the overhead nonstructural elements, including, but not limited to, light fixtures, heating, and air-conditioning diffusers are adequately braced or anchored.

The governing board of the school district shall submit the report to the Division of the State Architect for its review. The Division of the State Architect has one month to review the report for compliance with the above requirements, and to provide feedback to the structural engineer regarding any insufficiencies with the report, and whether or not the building is in substantial compliance with the requirements of the Field Act. If the Division of the State Architect does not respond within one month of the final and complete report being submitted, the Division of the State Architect will be deemed to have concurred with the structural engineer's report. A final decision by the governing board of the school district to occupy the building for school purposes shall not occur until the governing board has reviewed and considered the feedback of the Division of the State Architect, or the one month review period has passed.

No member of the governing board of a school district, nor any employee of a school district, shall be held personally liable for injury to persons or damage to property resulting from the fact that the governing board of the school district used a commercial building pursuant to this subdivision for a school and the building was not constructed under the requirements of Section 17280. This exemption from personal liability for members of the governing board and employees of a school district is not intended to limit the liability of the school district for injury to persons or damage to property resulting from the fact that the governing board or any employee of the school district used a commercial building pursuant to this subdivision for a school and the building was not constructed under the requirements of Section 17280. This exemption from personal liability for members of the governing board and employees of a school district is not intended to limit the liability of the school district, the governing board or the district's employees pursuant to Section 835 of the Government Code. Section 17312 is not applicable to a person who, pursuant to this section, leases or uses a building for a school building that meets the requirements of this section but does not meet the requirements of Section 17280. Approval and use of a building pursuant this subdivision does not constitute a violation of the Field Act.

(c) A building leased pursuant to Section 17280 may be used after September 1, 1991, as a regional occupational center or program that does not meet the requirements of Section 17280, provided the building satisfies all of the following conditions:

(1) The facility is one of the following:

(A) A single-story, wood-framed structure.

(B) A single-story, light steel frame structure.

(C) A structure for which a structural engineer has submitted a report that certifies that substantial structural hazards do not exist, as to that structure. The governing board of the regional occupational center or program, as provided for under Section 52310.5, shall review the report

prior to approval of the lease and may reject the report if there is any evidence of fraud regarding the facts in the report.

(2) The building or structure complies with all applicable local building standards and all applicable local health and safety standards in the community in which it is located.

(3) The governing board of the regional occupational center or program, as provided for under Section 52310.5, certifies to the State Allocation Board that reasonable efforts have been made to locate the regional occupational center or program in facilities that conform to the seismic safety standards set forth in Part 2 (commencing with Section 2-101), Part 3 (commencing with Section 3-089-1), Part 4 (commencing with Section 4-403), and Part 5 (commencing with Section 5-102), of Title 24 of the California Code of Regulations.

SEC. 24. Section 17292.5 of the Education Code is amended to read:

17292.5. (a) If the governing board of a school district operates a program for expelled pupils, the governing board shall do one or more of the following:

(1) Utilize available school facilities that conform to the requirements of Part 2 (commencing with Section 2-101), Part 3 (commencing with Section 3-089-1), Part 4 (commencing with Section 4-403), and Part 5 (commencing with Section 5-102), of Title 24 of the California Code of Regulations.

(2) Apply for emergency portable classrooms pursuant to Chapter 25 (commencing with Section 17085) of Part 10.

(3) Enter into lease agreements for facilities, provided that the facilities are limited to a structure where a structural engineer has submitted a report that determines substantial structural hazards do not exist.

(b) Before entering into any lease pursuant to paragraph (3) of subdivision (a), the governing board of the school district shall certify to the State Allocation Board that all reasonable efforts have been made to locate the program in facilities that conform to the structural safety standards listed in paragraph (1) of subdivision (a).

SEC. 25. Section 18884 of the Education Code is repealed.

SEC. 26. Section 20080 of the Education Code is amended to read:

20080. The endowment shall undertake a comprehensive survey of the state of cultural and historical preservation, accessibility, and interpretation in California. In conducting the survey, the endowment shall coordinate with existing state agencies, including the California Arts Council, the Department of Parks and Recreation, and the Secretary of State. The report shall include all of the following:

(a) A survey of elements in California's existing assemblage of buildings, sites, artifacts, museums, cultural landscapes, trails, illustrations, the arts and artistic expressions, written materials, and displays and interpretive centers that are missing or underrepresented, such as if current facilities, materials, and services leave out, misrepresent, or inadequately present some important thread of the story of California as a unified society or of

the many groups of people that together comprise historic and modern California.

(b) Recommendations for steps that should be taken to fill in the missing or underrepresented elements identified in subdivision (a).

(c) Recommendations for the manner of transferring the Office of Historic Preservation in the Department of Parks and Recreation to the endowment, consistent with the Legislature's intent expressed in Section 20052.5.

(d) Recommendations for additional steps that should be taken to better preserve and administer cultural and historic resources efficiently and effectively, including additional actions that should be taken to improve the governmental structures responsible for historic and cultural preservation in California, including oversight and support of museums. In particular, the endowment shall examine the feasibility and desirability of establishing the endowment as a separate institution in state government, without ties to any existing agency or department, although under the general authority of the Governor. The endowment shall also identify the most appropriate chair, or the most appropriate method for selecting the chair, of its board.

(e) A survey of the capacities and fiscal conditions of public, nonprofit, and other private entities in California that provide cultural and historical facilities and services, including museums.

(f) Recommendations for the future financing of cultural and historical programs provided by public agencies and nonprofit agencies in California, including museums.

(g) Recommendations for programs to encourage the historic maintenance and restoration of properties in private ownership, including, but not limited to, a state tax credit for restoration of historic properties that maintain historic integrity, property tax deferral as long as a property's historic integrity is maintained, and low interest loans.

(h) A study of the economic impact of the preservation and interpretation of cultural and historic resources in the state. This should include the economic benefits resulting from the preservation of historic commercial and residential properties and sites, and from historic and cultural tourism activities.

SEC. 27. Section 20081 of the Education Code is repealed.

SEC. 28. Section 20082 of the Education Code is repealed.

SEC. 29. Section 22218.5 of the Education Code is repealed.

SEC. 30. Section 22352 of the Education Code is amended to read:

22352. Upon a finding by the board that necessary investment expertise is not available within existing civil service classifications, and with the approval of the State Personnel Board, the board may contract with qualified investment managers having demonstrated expertise in the management of large and diverse investment portfolios to render service in connection with the investment program of the board.

SEC. 31. Section 24400 of the Education Code is amended to read:

24400. The Legislature recognizes that inflation erodes the purchasing power of benefits paid under the plan under this part. It is the intent of the Legislature to understand the degree of erosion of these benefits.

SEC. 32. Section 42263 of the Education Code is amended to read:

42263. (a) Commencing in the 1990–91 fiscal year, year-round school grants, in addition to those grants authorized under Section 42262, shall be awarded annually for the operation of year-round education programs to school districts that meet the criteria specified in this section, in addition to the criteria otherwise applicable under this article.

(b) For each fiscal year, for each schoolsite for which a school district applies for funding under this article, the district shall certify the number of pupils in excess of the capacity of the schoolsite, as determined by State Allocation Board or court-mandated pupil loading standards, for which the district elects to claim funding under this article. The excess pupil capacity calculated for purposes of this subdivision shall reflect only the additional capacity that has been generated as a result of operation on a multitrack year-round basis, and shall not reflect increased capacity generated by any other means. A school district shall be eligible for funding under this section only as to any schoolsite for which the pupil population certified by the district exceeds the capacity of the schoolsite by not less than 5 percent.

(c) To the extent funding is made available for the purposes of this section, the Superintendent of Public Instruction shall allocate to an applicant school district, for each schoolsite that qualifies for funding under subdivision (b), an amount equal to the district's share of the product of the statewide average cost avoided per pupil, as established under subdivision (e), and the number of pupils certified by the district under subdivision (b). For purposes of this subdivision, a district's share shall be determined according to the percentage by which the number of certified pupils reflects an increase in the capacity of the schoolsite, as follows:

	District's Share
1. Less than 5%	0%
2. Equal to or greater than 5% but less than 10%	50%
3. Equal to or greater than 10% but less than 15%	67%
4. Equal to or greater than 15% but less than 20%	75%
5. Equal to or greater than 20% but less than 25%	85%
6. Equal to or greater than 25%	90%

(d) (1) The State Allocation Board shall calculate the statewide average cost avoided per pupil under Chapter 12.5 (commencing with Section 17070.10) of Part 10 through the operation of school facilities on a multitrack year-round basis, based on the following school facilities cost components:

(A) The cost of facilities construction.

(B) The cost of land acquisition.

(C) Relocation costs in connection with land acquisition.

(D) State costs incurred as a result of interest that would be paid by the state for debt service on state general obligation bond financing to construct new school facilities under Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(2) The calculation of costs under subparagraphs (B) and (C) of paragraph (1) shall exclude data from the lowest quartile and the highest quartile.

(3) The State Allocation Board shall calculate the statewide average cost avoided per pupil, pursuant to this subdivision, on the basis of the 1990–91 and 1991–92 fiscal years and every two-year period thereafter.

(e) For the 1990–91 and 1991–92 fiscal years, the "statewide average cost avoided per pupil," for purposes of this section, shall be one thousand one hundred fifty-one dollars ($1,151). For the 1992–93 fiscal year, and each fiscal year thereafter, the "statewide average cost avoided per pupil" shall be established by the statute that appropriates funding for the purposes of this section for that fiscal year.

SEC. 33. Section 48005.45 of the Education Code is amended to read:

48005.45. (a) The Superintendent, by June 1, 2007, shall contract for an independent longitudinal evaluation regarding the effects of the change in the entry age for kindergarten and first grade pursuant to this article. In selecting the independent evaluator, awarding the contract pursuant to this section, and in monitoring performance under the contract, the Superintendent shall consult with the advisory panel convened pursuant to subdivision (b) of Section 48005.13.

(b) The evaluation shall be based upon samples of sufficient size and diversity to allow results to be reported separately for pupils of different ethnicity, socioeconomic status, and primary language, and results of the evaluation shall be so reported.

(c) The primary purpose of the evaluation is to determine whether this entry age change results in improved readiness for school and an improvement in academic achievement among participating children.

(d) The evaluation shall use representative sampling to identify the change's effects on all of the following:

(1) Academic achievement, as measured by standardized tests, as compared with pupils not participating in the program.

(2) Behavioral problems, as measured by objective data including, but not limited to, suspension and expulsion rates, as compared with pupils not participating in the program.

(3) Academic problems, as measured by referrals to special education and remedial programs, as compared with pupils not participating in the program.

(4) Age of kindergarten entry and previous educationally based preschool experience, including, but not limited to, access to child care and preschool by parents or guardians.

(5) Overall retention rates in kindergarten and in subsequent grades.

(6) Participation in remedial, supplemental, or summer school programs.

(7) Class size.

(8) Number of pupils participating in kindergarten.

(9) Number of pupils participating in the kindergarten readiness programs.

(10) Differences, if any, between programs with full preschool participation, and those with partial or no preschool.

(11) Child care difficulties caused by the admission age change.

(12) Demographic breakdown of participants and nonparticipants, including, but not limited to, socioeconomic and ethnic demographics.

(13) Facilities difficulties, if any, encountered by participating school districts.

(14) The ability of parents to gain access to the program, disaggregated by ethnic, primary language, and socioeconomic status.

(e) It is the intent of the Legislature that funding for this evaluation be included in the Budget Act or a bill related to the Budget Act. It is the intent of the Legislature to subsequently increase the number of hours funded for the kindergarten readiness program if the reports pursuant to this section indicate that the increase would be beneficial.

SEC. 34. Section 52314 of the Education Code is amended to read:

52314. (a) (1) Except as provided in subdivision (b), any pupil eligible to attend a high school or adult school in a school district subject to the jurisdiction of a county superintendent of schools operating a regional occupational center or regional occupational program, and who resides in a school district which by itself or in cooperation with other school districts, has not established a regional occupational center, or regional occupational program, is eligible to attend a regional occupational center or regional occupational program maintained by the county superintendent of schools. Any school district which in cooperation with other school districts maintains a regional occupational center, or regional occupational program, or any cooperating school districts may admit to the center, or program, any pupil, otherwise eligible, who resides in the district or in any of the cooperating districts. Any school district which by itself maintains a regional occupational center, or regional occupational program, may admit to the center, or program, any pupil, otherwise eligible, who resides in the district. No pupil, including adults under Section 52610 shall be admitted to a regional occupational center, or regional occupational program, unless the county superintendent of schools or governing board of the district or districts maintaining the center, or program, as the case may be, determines that the pupil will benefit therefrom and approves of his or her admission to the regional occupational center or regional occupational program.

(2) Adult students shall not be enrolled in regional occupational center or program courses during the school day on a high school campus unless specifically authorized by the policy of the governing board of the school district.

(3) A pupil may be admitted on a full-time or part-time basis, as determined by the county superintendent of schools or governing board of the school district or districts maintaining the center, or program, as the case may be.

(b) A pupil is not eligible to be admitted to a regional occupational center or program, and his or her attendance shall not be credited to a regional

occupational center or program, until he or she has attained the age of 16 years, unless the pupil meets one or more of the following conditions:

(1) The pupil is enrolled in grade 11 or a higher grade.

(2) The pupil received a referral and all of the following conditions are met:

(A) The pupil is referred to a regional occupational center or program as part of a comprehensive high school plan that has been approved by a school counselor or school administrator. The approval of the pupil's parents or guardian may be sought but is not required.

(B) The pupil's comprehensive high school plan requires referral to a regional occupational center or program as part of a sequence of vocational courses that allows the pupil to learn a comprehensive skill occupation that culminates in earning a postsecondary vocational certificate or diploma or its equivalent.

(C) The pupil is enrolled in a school that maintains any of grades 9 to 12, inclusive.

(3) The individualized education program of a pupil adopted pursuant to the requirements of Chapter 4 (commencing with Section 56300) of Part 30 prescribes occupational training for which his or her enrollment in a regional occupational center or program is deemed appropriate.

(4) The pupil is enrolled in grade 10 and has a comprehensive high school plan that has been approved by a school counselor, and the admission of that pupil will not result in the denial of admission or displacement of pupils in grades 11 and 12 that would otherwise participate in the regional occupational center or program.

(c) Each school district, county superintendent of schools, or joint powers agency that maintains a regional occupational center or regional occupational program shall submit to the department, at the time and in the manner prescribed by the Superintendent, the enrollment and average daily attendance for each grade level and the enrollment and average daily attendance for each exemption set forth in subdivision (b).

SEC. 35. Section 53101 of the Education Code is amended to read:

53101. (a) The Governor, the Superintendent, and the state board shall jointly develop a single high-quality plan or multiple plans, in collaboration with participating local educational agencies, as necessary, to submit as part of an application for federal Race to the Top funds, authorized under the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

(b) The plan shall include a budget or expenditure plan consistent with the requirements of the Race to the Top program and application. At a minimum, the plan shall address how the Race to the Top program funds and any other applicable federal funds shall be used to provide resources to the low-achieving and persistently lowest-achieving schools as defined in this chapter. These resources may include, but are not necessarily limited to, professional development, technical assistance, and partnering with schools that have successfully transitioned from low- to higher-performing status.

(c) It is the intent of the Legislature that funding for local educational agencies be the highest priority in the allocation of Race to the Top program funds.

SEC. 36. Section 66040.7 of the Education Code is amended to read:

66040.7. The California State University, the Department of Finance, and the Legislative Analyst's Office shall jointly conduct a statewide evaluation of the new programs implemented under this article. The evaluation required by this section shall consider all of the following:

(a) The number of new doctoral programs in education implemented, including information identifying the number of new programs, applicants, admissions, enrollments, degree recipients, time-to-degree, attrition, and public school and community college program partners.

(b) The extent to which the programs established under this article are fulfilling identified state needs for training in educational leadership, including statewide supply and demand data that considers capacity at the University of California and in California's independent colleges and universities.

(c) Information on the place of employment of students and the subsequent job placement of graduates.

(d) Any available evidence on the effects that the graduates of the programs are having on elementary and secondary school and community college reform efforts and on student achievement.

(e) Program costs and the fund sources that were used to finance these programs, including a calculation of cost per degree awarded.

(f) The costs of the programs to students, the amount of financial aid offered, and student debt levels of graduates of the programs.

(g) The extent to which the programs established under this article are in compliance with the requirements of this article.

SEC. 37. Section 7571 of the Family Code is amended to read:

7571. (a) On and after January 1, 1995, upon the event of a live birth, prior to an unmarried mother leaving any hospital, the person responsible for registering live births under Section 102405 of the Health and Safety Code shall provide to the natural mother and shall attempt to provide, at the place of birth, to the man identified by the natural mother as the natural father, a voluntary declaration of paternity together with the written materials described in Section 7572. Staff in the hospital shall witness the signatures of parents signing a voluntary declaration of paternity and shall forward the signed declaration to the Department of Child Support Services within 20 days of the date the declaration was signed. A copy of the declaration shall be made available to each of the attesting parents.

(b) No health care provider shall be subject to any civil, criminal, or administrative liability for any negligent act or omission relative to the accuracy of the information provided, or for filing the declaration with the appropriate state or local agencies.

(c) The local child support agency shall pay the sum of ten dollars ($10) to birthing hospitals and other entities that provide prenatal services for each completed declaration of paternity that is filed with the Department

of Child Support Services, provided that the local child support agency and the hospital or other entity providing prenatal services has entered into a written agreement that specifies the terms and conditions for the payment as required by federal law.

(d) If the declaration is not registered by the person responsible for registering live births at the hospital, it may be completed by the attesting parents, notarized, and mailed to the Department of Child Support Services at any time after the child's birth.

(e) Prenatal clinics shall offer prospective parents the opportunity to sign a voluntary declaration of paternity. In order to be paid for their services as provided in subdivision (c), prenatal clinics must ensure that the form is witnessed and forwarded to the Department of Child Support Services within 20 days of the date the declaration was signed.

(f) Declarations shall be made available without charge at all local child support agency offices, offices of local registrars of births and deaths, courts, and county welfare departments within this state. Staff in these offices shall witness the signatures of parents wishing to sign a voluntary declaration of paternity and shall be responsible for forwarding the signed declaration to the Department of Child Support Services within 20 days of the date the declaration was signed.

(g) The Department of Child Support Services, at its option, may pay the sum of ten dollars ($10) to local registrars of births and deaths, county welfare departments, or courts for each completed declaration of paternity that is witnessed by staff in these offices and filed with the Department of Child Support Services. In order to receive payment, the Department of Child Support Services and the entity shall enter into a written agreement that specifies the terms and conditions for payment as required by federal law. The Department of Child Support Services shall study the effect of the ten dollar ($10) payment on obtaining completed voluntary declaration of paternity forms.

(h) The Department of Child Support Services and local child support agencies shall publicize the availability of the declarations. The local child support agency shall make the declaration, together with the written materials described in subdivision (a) of Section 7572, available upon request to any parent and any agency or organization that is required to offer parents the opportunity to sign a voluntary declaration of paternity. The local child support agency shall also provide qualified staff to answer parents' questions regarding the declaration and the process of establishing paternity.

(i) Copies of the declaration and any rescissions filed with the Department of Child Support Services shall be made available only to the parents, the child, the local child support agency, the county welfare department, the county counsel, the State Department of Health Services, and the courts.

(j) Publicly funded or licensed health clinics, pediatric offices, Head Start programs, child care centers, social services providers, prisons, and schools may offer parents the opportunity to sign a voluntary declaration of paternity. In order to be paid for their services as provided in subdivision (c), publicly funded or licensed health clinics, pediatric offices, Head Start programs,

child care centers, social services providers, prisons, and schools shall ensure that the form is witnessed and forwarded to the Department of Child Support Services.

(k) Any agency or organization required to offer parents the opportunity to sign a voluntary declaration of paternity shall also identify parents who are willing to sign, but were unavailable when the child was born. The organization shall then contact these parents within 10 days and again offer the parent the opportunity to sign a voluntary declaration of paternity.

SEC. 38. Section 17555 of the Family Code is amended to read:

17555. (a) Any appropriation made available in the annual Budget Act for the purposes of augmenting funding for local child support agencies in the furtherance of their revenue collection responsibilities shall be subject to all of the following requirements:

(1) Each local child support agency shall submit to the department an early intervention plan with all components to take effect upon receipt of their additional allocation as a result of this proposal.

(2) Funds shall be distributed to counties based on their performance on the following two federal performance measures:

(A) Measure 3: Collections on Current Support.

(B) Measure 4: Cases with Collections on Arrears.

(3) A local child support agency shall be required to use and ensure that 100 percent of the new funds allocated are dedicated to maintaining caseworker staffing levels in order to stabilize child support collections.

(4) At the end of each fiscal year that this augmentation is in effect, the department shall provide a report on the cost-effectiveness of this augmentation, including an assessment of caseload changes over time.

(b) It is the intent of the Legislature to review the results of this augmentation and the level of related appropriation during the legislative budget review process.

SEC. 39. Section 456 of the Fish and Game Code is amended to read:

456. The department shall biennially report to the Legislature and to the Fish and Game Commission on the progress that is being made toward the restoration and maintenance of California's deer herds. The first report shall be submitted on or before October 1, 1989. The report shall include program activities regarding deer habitat, particularly addressing problems dealing with identification and preservation of critical deer habitat areas; the amount of revenue derived from the sale of deer tags during the two previous fiscal years; a list of expenditures during the two previous fiscal years and proposed expenditures during the current fiscal year; and a report of general benefits accrued to the deer resources as a result of the program.

SEC. 40. Section 1363.5 of the Fish and Game Code is repealed.

SEC. 41. Section 1727 of the Fish and Game Code is amended to read:

1727. (a) In order to provide for a diversity of available angling experiences throughout the state, it is the intent of the Legislature that the commission maintain the existing wild trout program, and as part of the program, develop additional wild trout waters in the more than 20,000 miles of trout streams and approximately 5,000 lakes containing trout in California.

(b) The department shall prepare a list of no less than 25 miles of stream or stream segments and at least one lake that it deems suitable for designation as wild trout waters. The department shall submit this list to the commission for its consideration at the regular October commission meeting.

(c) The commission may remove any stream or lake that it has designated as a wild trout fishery from the program at any time. If any of those waters are removed from the program, an equivalent amount of stream mileage or an equivalent size lake shall be added to the wild trout program.

(d) The department shall prepare and complete management plans for all wild trout waters not more than three years following their initial designation by the commission, and to update the management plan every five years following completion of the initial management plan.

SEC. 42. Section 1850 of the Fish and Game Code is amended to read:

1850. On or before January 1, 2002, the department shall establish an updated database of all existing and operating wetlands mitigation banks that sell credits to the public in California. To the extent feasible, the department shall use all existing information in compiling this database and shall utilize the CERES Environmental Data Catalog to make this information available to the public. The department shall update this database on an annual basis.

SEC. 43. Section 1851 of the Fish and Game Code is repealed.

SEC. 44. Section 2079 of the Fish and Game Code is amended to read:

2079. The department shall, by January 30 of every third year, beginning January 30, 1986, prepare a report summarizing the status of all state listed endangered, threatened, and candidate species, and shall post the report on the commission's Internet Web site. This report shall include, but not be limited to, a listing of those species designated as endangered, threatened, and candidate species, a discussion of the current status of endangered, threatened, or candidate species, and the timeframes for the review of listed species pursuant to this article.

SEC. 45. Section 2086 of the Fish and Game Code is amended to read:

2086. (a) The department, in cooperation with the Department of Food and Agriculture, agricultural commissioners, extension agents, farmers, ranchers, and other agricultural experts, shall adopt regulations that authorize locally designed voluntary programs for routine and ongoing agricultural activities on farms or ranches that encourage habitat for candidate, threatened, and endangered species, and wildlife generally. Agricultural commissioners, extension agents, farmers, ranchers, or other agricultural experts, in cooperation with conservation groups, may propose those programs to the department. The department shall propose regulations for those programs not later than July 1, 1998.

(b) Programs authorized under subdivision (a) shall do all of the following:

(1) Include management practices that will, to the maximum extent practicable, avoid and minimize take of candidate, endangered, and threatened species, while encouraging the enhancement of habitat.

(2) Be supported by the best available scientific information for both agricultural and conservation practices.

(3) Be consistent with the policies and goals of this chapter.

(4) Be designed to provide sufficient flexibility to maximize participation and to gain the maximum wildlife benefits without compromising the economics of agricultural operations.

(5) Include terms and conditions to allow farmers or ranchers to cease participation in a program without penalty. The terms and conditions shall include reasonable measures to minimize take during withdrawal from the program.

(c) Any taking of candidate, threatened, or endangered species incidental to routine and ongoing agricultural activities that occurs while the management practices specified by paragraph (1) of subdivision (b) are followed, is not prohibited by this chapter.

(d) (1) The department shall automatically renew the authorization for these voluntary programs every five years, unless the Legislature amends or repeals this section in which case the program shall be revised to conform to this section.

(2) Commencing in 2000, and every five years thereafter, the department shall post a report regarding the effect of the programs on its Internet Web site. The department shall consult with the Department of Food and Agriculture in evaluating the programs and preparing the report. The report shall address factors such as the temporary and permanent acreage benefiting from the programs, include an estimate of the amount of land upon which routine and ongoing agricultural activities are conducted, provide examples of farmer and rancher cooperation, and include recommendations to improve the voluntary participation by farmers and ranchers.

(e) If the authorization for these programs is not renewed or is modified under subdivision (d), persons participating in the program shall be allowed to cease participating in the program in accordance with the terms and conditions specified in paragraph (5) of subdivision (b), without penalty.

(f) (1) The department may approve an application submitted by an agricultural-based nonprofit organization or other entity registered as a California nonprofit organization to initiate and undertake public education and outreach activities that promote the achievement of the objectives of this chapter. An application submitted pursuant to this subdivision shall include the following:

(A) The name and contact information of the participating organization.

(B) A brief description of the planned outreach activities.

(C) An end date for the outreach activities.

(2) The department may require a participating organization to submit, for approval by the department, educational materials and outreach materials that are disseminated to the public in furtherance of this subdivision.

(3) A participating organization shall file an annual report with the department before the end of each calendar year during the time period specified in the application. The report shall include, but is not limited to, the following:

(A) Complete information on the activities conducted by the participating organization in the prior year, including a description of all means of communicating to the public and agricultural community, including personal visits, electronic communications, organized meetings, or other means.

(B) A compilation of responses from the public and members of the agricultural community that will assist the participating organization and the department to modify or improve public education and outreach activities on an ongoing basis.

(C) An assessment of the existing knowledge within the agricultural community of programs and prohibitions under this chapter and a review of outreach activities that could be used to adapt and improve future outreach efforts.

(D) Information on a farm or ranch that has expressed interest in participating in a voluntary program pursuant to this section or the safe harbor agreement program contained in Article 3.7 (commencing with Section 2089.2). This provision does not require the annual report to include the identification to the department of an individual, farm, or ranch.

SEC. 46. Section 2861 of the Fish and Game Code is amended to read:

2861. (a) The commission shall, annually until the master plan is adopted and thereafter at least every three years, receive, consider, and promptly act upon petitions from any interested party, to add, delete, or modify MPAs, favoring those petitions that are compatible with the goals and guidelines of this chapter.

(b) Nothing in this chapter restricts any existing authority of the department or the commission to make changes to improve the management or design of existing MPAs or designate new MPAs prior to the completion of the master plan. The commission may abbreviate the master plan process to account for equivalent activities that have taken place before enactment of this chapter, providing that those activities are consistent with this chapter.

SEC. 47. Section 3409 of the Fish and Game Code is repealed.

SEC. 48. Section 3864 of the Fish and Game Code is repealed.

SEC. 49. Section 4904 of the Fish and Game Code is repealed.

SEC. 50. Section 7862 of the Fish and Game Code is amended to read:

7862. A Commercial Salmon Trollers Advisory Committee shall be established consisting of six members selected by the director. One member shall be chosen from the personnel of the department. Four persons shall be selected, with alternates, from a list submitted by a fishermen's organization deemed to represent the commercial salmon fishermen of California. One member shall be selected, with an alternate, from lists submitted by individual commercial passenger fishing boat operators or by organizations deemed to represent the commercial passenger fishing boat operators of California. The term of appointment to the committee shall be for two years. Necessary and proper expenses, if any, and per diem shall be paid committee members from the special account created pursuant to subdivision (a) of Section 7861. The rate of per diem shall be the same as the rate established pursuant to Section 8902 of the Government Code.

The committee shall recommend programs and a budget from the special account to the department.

SEC. 51. Section 8610.10 of the Fish and Game Code is repealed.

SEC. 52. Section 12794.5 of the Food and Agricultural Code is repealed.

SEC. 53. Section 54446 of the Food and Agricultural Code is repealed.

SEC. 54. Section 58591 of the Food and Agricultural Code is repealed.

SEC. 55. Section 8164 of the Government Code is repealed.

SEC. 56. Section 8169.5 of the Government Code is amended to read:

8169.5. (a) In furtherance of the Capitol Area Plan, the objectives of Resolution Chapter 131 of the Statutes of 1991, and the legislative findings and declarations contained in Chapter 193 of the Statutes of 1996, relative to the findings by the Urban Land Institute, the director may purchase, exchange, or otherwise acquire real property and construct facilities, including any improvements, betterments, and related facilities, within the jurisdiction of the Capitol Area Plan in the City of Sacramento pursuant to this section. The total authorized scope of the project shall consist of up to approximately 1,470,200 gross square feet of office space and approximately 742,625 gross square feet of parking structures for use by the State Department of Education, the State Department of Health Care Services, the State Department of Public Health, and the Department of General Services as anchor tenants on blocks 171, 172, 173, 174, and 225, along with related additional parking on block 224, within the Capitol area. The acquisition and construction authorized pursuant to this section may not cause the displacement of any state or legislative employee parking spaces in the blocks specified in this subdivision unless the Department of General Services makes available existing state-owned parking spaces, acquires parking spaces, or constructs replacement parking that results in the affected employees' parking spaces being located at a reasonable distance from their place of employment.

(b) Subject to paragraphs (2) and (3) of subdivision (c), the department may contract for the lease, lease-purchase, lease with an option to purchase, acquisition, design, design-build, construction, construction management, and other services related to the design and construction of the office and parking facilities authorized to be acquired pursuant to subdivision (a).

(c) (1) The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 to finance all costs associated with acquisition, design, and construction of office and parking facilities for the purposes of this section. The State Public Works Board and the department may borrow funds for project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313. In the event the bonds authorized by the project are not sold, the State Department of Education, the State Department of Health Care Services, the State Department of Public Health, and the Department of General Services, as determined by the Department of Finance, shall commit a sufficient amount of their support appropriations to repay any loans made for the project from the Pooled Money Investment Account. It is the intent

of the Legislature that this commitment shall be included in future Budget Acts until all outstanding loans from the Pooled Money Investment Account are repaid either through the proceeds from the sale of bonds or from an appropriation.

(2) (A) If the department proposes to acquire the facilities on a design-build basis, prior to the department entering into an agreement pursuant to subdivision (b) to design and build the facilities on blocks 171, 172, 173, 174, and 225, as specified in subdivision (a), the department shall submit to the Legislature a copy of all documents that shall be the basis upon which bids will be solicited and awarded to design and build the facilities. The documents shall include the following:

(i) The request for qualifications.

(ii) Site development guidelines.

(iii) Architectural and all system design requirements for the facilities.

(iv) Notwithstanding any other provision of law, the recommended specific criteria and process by which the contractor shall be selected.

(v) The performance criteria and standards for the architecture and all components and systems of the facilities.

(B) The information in the documents shall be provided in at least as much detail as was prepared for the San Francisco Civic Center Complex project and shall cover the quality of materials, equipment, and workmanship to be used in the facilities. These documents shall also include a detailed and specific space program for the facilities that identifies the specific spatial needs of the state agencies.

(C) If the department proposes to contract for construction separate from design, the department shall, prior to commencing work on working drawings for the facilities on blocks 171, 172, 173, 174, and 225, submit to the Legislature a copy of the preliminary plans for the facilities and a detailed and specific space program for the facilities that identifies the specific spatial needs of the state agencies.

(E) Regardless of how the department proposes to acquire the facilities, the department also shall submit all of the following information, which may be included in the bid documents:

(i) A final estimated cost for design, construction, and other costs.

(ii) How the department would manage the contracts entered into for this project to ensure compliance with contract requirements and to ensure that the state receives the highest level of quality workmanship and materials for the funds spent on the project.

(3) The department shall submit to the Legislature the information required to be submitted pursuant to paragraphs (2) and (6) on or before December 1, 1998. Except for those contracts and agreements necessary to prepare the information required by paragraphs (2) and (6), the department shall not solicit bids to enter into any agreement to design and build or otherwise acquire the facilities or commence work on working drawings on block 171, 172, 173, 174, or 225 sooner than the later of April 1, 1999, or 120 days after the department submits to the Legislature the information required to be submitted pursuant to paragraphs (2) and (6). The Legislative

Analyst shall evaluate the information submitted to the Legislature and shall prepare a report to the Joint Committee on Rules within 60 days of receiving the documents submitted to the Legislature. It is the intent of the Legislature that the Joint Committee on Rules meet prior to the date the department is authorized to solicit bids to design and build or otherwise acquire the facilities or commence work on working drawings for the purposes of discussing the report from the Legislative Analyst and adopting a report with any recommendations to the department on changes to the site design criteria, performance criteria, and specifications and specific criteria for determining the winning bidder. If the Joint Committee on Rules adopts a report prior to the date the department is authorized to solicit bids to design and build or otherwise acquire the facilities or commence work on working drawings, the department may solicit the bids or commence the work when the report is adopted by the Joint Committee on Rules. The Senate Committee on Rules and the Speaker of the Assembly may designate members of their respective houses to monitor the progress of the preparation of the documents to be submitted pursuant to paragraph (2). The department shall prepare periodic progress reports and meet with the designated members or their representatives, as necessary, while preparing the documents.

(4) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold may equal, but shall not exceed, the cost of planning, preliminary plans, working drawings, construction, construction management and supervision, other costs relating to the design and construction of the facilities, and any additional sums necessary to pay interim and permanent financing costs. The additional amount may include interest and a reasonable required reserve fund.

(5) Authorized costs of the facilities for preliminary plans, working drawings, construction, and other costs shall not exceed three hundred ninety-two million dollars ($392,000,000). Notwithstanding Section 13332.11, the State Public Works Board may authorize the augmentation of the amount authorized under this paragraph by up to 10 percent of the amount authorized.

(6) The net present value of the cost to acquire and operate the facilities authorized by subdivision (a) may not exceed the net present value of the cost to lease and operate an equivalent amount of comparable office space over the same time period. The department shall perform this analysis and shall obtain interest rates, discount rates, and Consumer Price Index figures from the Treasurer and submit its analysis with the documents submitted pursuant to paragraph (2) of subdivision (c). For purposes of this analysis, the department shall compare the cost of acquiring and operating the proposed facilities with the avoided cost of leasing and operating an equivalent amount of comparable office space that will no longer need to be leased because either (A) agencies will no longer occupy currently leased facilities when they occupy the proposed facilities, or (B) agencies will no longer occupy currently leased facilities when they occupy state-owned space being vacated by state agencies occupying the proposed facilities. The analysis shall also include the cost of any unique improvement

associated with the moving of an agency into any state-owned space that would be vacated by agencies moving into the proposed facilities. However, these costs shall not include the cost of renovating or modernizing vacated state-owned space that is necessary to accommodate state agencies in general purpose office space. This paragraph shall not be construed as authorizing any renovation of state-owned space.

(d) The director may execute and deliver a contract with the State Public Works Board for the lease of the facilities described in this section that are financed with the proceeds of the board's bonds, notes, or bond anticipation notes issued in accordance with this section.

SEC. 57. Section 8587.5 of the Government Code is amended to read:

8587.5. (a) The Department of Transportation shall, in cooperation with interested cities with Traffic Signal Override Systems, apply to the United States Secretary of Transportation for federal funding to conduct a research program in one or more cities to test the effectiveness of the installation of signal emitters and sensors in emergency response vehicles in reducing accidents and injuries.

(b) The project shall study the reduction in accidents and injuries involving emergency response vehicles in the program areas, shall, if possible, assess any reduction in response times by emergency response vehicles in the program areas, and may study other valuable data as deemed appropriate.

(c) The application shall seek full federal funding for the project, including the evaluation component. If the United States Secretary of Transportation requires a nonfederal share of funding, the participating local governments shall pay this share equally.

(d) The department shall apply for federal funding within six months of the effective date of this section unless good cause exists to apply later or not to apply.

SEC. 58. Section 11535 of the Government Code, as amended by Chapter 147 of the Statutes of 2012, is repealed.

SEC. 59. Article 3 (commencing with Section 11675) of Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 60. Section 12805.4 of the Government Code is repealed.

SEC. 61. Section 13103.5 of the Government Code is amended to read:

13103.5. The department may perform audits, as it deems necessary, of the allocations or expenditures made in accordance with Article XIX B of the California Constitution.

SEC. 62. Section 14051 of the Government Code is repealed.

SEC. 63. Section 14453 of the Government Code is amended to read:

14453. The department's role in this program shall be limited to research and development. The department shall consider the following guidelines in evaluating and selecting a site for a research and development center:

(a) Sources of funding for the center, with the stipulation that the state's funding share does not exceed one-third of the total costs of the center, with the remaining funds provided from local, federal, and private sources. The department shall seek to maximize private participation in the funding of a

center, and state funds shall be expended only for facilities to be used by the state to be located on real property owned by the state, including acquisition of real property to be owned by the state in fee simple or pursuant to a lease-purchase contract.

(b) Accessibility to the center by rail or bus service operating at frequency headways of not less than one-half hour during peak commute hours.

(c) Other criteria to be used in the evaluation of a site for the center, which shall include, but not be limited to, the following:

(1) The ability of the project to enhance environmental quality, including the dedication of open space for preservation of open space, wetlands, and other wildlife habitat.

(2) The ability of the project to rely on existing infrastructure, including water and sewer hookups to existing systems and access by existing roads and transit systems, or alternatively, an assurance by the local jurisdiction or jurisdictions that an infrastructure development plan has been adopted which provides for the timely construction of necessary infrastructure and which is fully funded.

(3) The extent to which the project will result in the least cost to public agencies, direct and indirect, including costs incurred by state and local agencies other than the department.

(4) The extent to which the project provides a return on investment of public funds to public agencies.

(d) Contracting for consultant services to assist it in selecting a site for a center.

(e) Receiving and evaluating proposals for the center, to be ranked in priority order consistent with this section.

(f) Not committing any state funds to the project other than for the development of a request for proposals and the evaluation of proposals received in response to the request, unless funds are specifically appropriated as a separate item in the annual Budget Act for the financing, planning, design, and construction of the center.

(g) Construction of the center shall be subject to prevailing wage laws and minority enterprise and women business enterprise participation laws applicable to the department's highway construction projects.

SEC. 64. Section 14556.36 of the Government Code is repealed.

SEC. 65. Section 14613.7 of the Government Code is amended to read:

14613.7. Each state agency that is protected by the Department of the California Highway Patrol, those state agencies currently being protected by contract private security companies, or those state agencies currently under contract with a local governmental law enforcement agency for general law enforcement services, excluding all current mutual aid agreements, shall, as soon as practical, report to the Department of the California Highway Patrol all crimes and criminally caused property damage on state-owned or state-leased property where state employees are discharging their duties. This section shall not apply to incidents that result in the filing of Incidence Memoranda issued by the Parole Divisions of the Department of Corrections and the Department of the Youth Authority.

SEC. 66. Section 14714 of the Government Code is repealed.

SEC. 67. Article 5 (commencing with Section 14760) of Chapter 5 of Part 5.5 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 68. Section 15438.6 of the Government Code is amended to read:

15438.6. (a) This section shall be known, and may be cited, as the Cedillo-Alarcon Community Clinic Investment Act of 2000.

(b) The Legislature finds and declares all of the following:

(1) Primary care clinics require capital improvements in order to continuously perform their vital role. Many primary care clinics are currently at capacity and in order to increase access to their services and allow them to expand to cover the growing need for health care for the vulnerable populations in California, these capital funds are necessary.

(2) Primary care clinics are the health care safety net for the most vulnerable populations in California: uninsured, underinsured, indigent, and those in shortage designation areas. Primary care clinics provide health care regardless of the ability to pay for services.

(3) Approximately 6.6 million Californians lack health insurance, a number that increases by 50,000 per month.

(4) Primary care clinics have been historically and woefully underfunded.

(5) Primary care clinics are the most cost-effective means of serving California's vulnerable populations.

(6) The failure to adequately fund primary care clinics has resulted in significant costs to the state in the form of unnecessary emergency room visits. Also, the lack of preventive care results in significant costs when patients become severely ill.

(c) The authority may award grants to any eligible clinic, as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, for purposes of financing capital outlay projects, as defined in subdivision (f) of Section 15432.

(d) The authority, in consultation with representatives of primary care clinics and other appropriate parties, shall develop selection criteria and a process for awarding grants under this section. The authority may take into account at least the following factors when selecting recipients and determining amount of grants:

(1) The percentage of total expenditures attributable to uncompensated care provided by an applicant.

(2) The extent to which the grant will contribute toward expansion of health care access by indigent, underserved, and uninsured populations.

(3) The need for the grant based on an applicant's total net assets, relative to net assets of other applicants. For purposes of this section, "total net assets" means the amount of total assets minus total liabilities, as disclosed in an audited financial statement prepared according to United States Generally Accepted Accounting Principles, and shall include unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(4) The geographic location of the applicant, in order to maximize broad geographic distribution of funding.

(5) Demonstration by the applicant of project readiness and feasibility to the authority's satisfaction.

(6) The total amount of funds appropriated and available for purposes of this section.

(e) No grant to any clinic facility shall exceed two hundred fifty thousand dollars ($250,000).

(f) In no event shall a grant to finance a project exceed the total cost of the project, as determined by the clinic and approved by the authority. Grants shall be awarded only to clinics that have certified to the authority that all requirements established by the authority for grantees have been met.

(g) All projects that are awarded grants shall be completed within a reasonable period of time, to be determined by the authority. No funds shall be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that the clinic has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant. Certification of project completion shall be submitted to the authority by any clinic receiving a grant under this section.

(h) Any clinic receiving a grant under this section shall commit to using the health facility for the purposes for which the grant was awarded for the duration of the expected life of the project.

(i) It is the intent of the Legislature that the California Health Facilities Financing Authority be reimbursed for the costs of the administration of the implementation of this section from funds appropriated for the purposes of this section.

SEC. 69. Section 15813.6 of the Government Code is repealed.

SEC. 70. Section 16367.5 of the Government Code is amended to read:

16367.5. The Department of Community Services and Development shall receive and administer the federal Low-Income Home Energy Assistance Program Block Grant, provided for pursuant to the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. Sec. 8621 et seq.). The department shall afford local service providers maximum flexibility and control, within the parameters of federal and state law, in the planning, administration, and delivery of Low-Income Home Energy Assistance Program Block Grant services. Local service providers shall be defined as private, nonprofit, and public agencies designated in accordance with Public Law 97-35, as amended. The formation of service regions beyond those that were in place in 1995, or those that were in place in Los Angeles County in January 1997, shall occur only with the concurrence of service providers within the proposed regions. The department shall allocate funds received as follows:

(a) For federal fiscal year 1998, up to 7.3 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be retained by the Department of Community Services and Development for purposes of overall planning and administration. The department shall spend at least 2.3 percent of this 7.3 percent on activities to improve the administrative efficiency of the program. At least 2.7 percent

of the state's total federal allocation of the Low-Income Home Energy Assistance Program shall be allocated to local service providers for purposes of planning and administration.

For federal fiscal year 1999, up to 6 percent of the state's total federal allocation of the Low-Income Home Energy Assistance Program shall be retained by the Department of Community Services and Development for purposes of overall planning and administration. The department shall spend at least 1 percent of this 6 percent on activities to improve the administrative efficiency of the program. At least 4 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be allocated to local service providers for purposes of planning and administration.

Beginning in federal fiscal year 2000, up to 5 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be retained by the Department of Community Services and Development for purposes of overall planning and administration. At least 5 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be allocated to local service providers for purposes of planning and administration.

Upon achievement of administrative efficiencies, or no later than June 30, 2001, the department and the local service providers committee established pursuant to subdivision (j) shall examine the appropriate split of administrative funding between the state and local services providers necessary to achieve the intent of federal law regarding the Low-Income Home Energy Assistance Program. The department shall not retain more than 5 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program.

(b) Services under this section shall be available to households in which one or more individuals are receiving:

(1) Temporary Assistance for Needy Families under the state's plan approved under Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.

(2) Supplemental Security Income payments under Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(3) County general assistance under Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(4) CalFresh benefits received under the federal Supplemental Nutrition Assistance Program of the federal Food and Nutrition Act of 2008 pursuant to Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code.

(5) Payments under Section 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

(6) Households with incomes that do not exceed the greater of:

(A) An amount equal to 150 percent of the poverty level for this state.

(B) An amount equal to 60 percent of the state median income, except that no household may be excluded from eligibility solely on the basis of household income if that income is less than 110 percent of the poverty level for this state, but priority may be given to those households with the highest home energy costs or needs in relation to household income.

(c) An amount of not less than 15 percent and up to the maximum allowed by federal law of the total federal allocation shall be allocated for weatherization services for eligible individuals. For each program year, to the extent that the state is eligible, the Department of Community Services and Development shall apply to the appropriate federal agencies for any waivers that may be necessary to ensure that the amount available for the purposes of this subdivision will be the maximum amount allowable under federal law. For the purposes of this subdivision, weatherization shall include all energy conservation measures and energy efficient appliances that are cost effective and improve energy efficiency. The department shall allocate 5 percent of the weatherization program allocation to local service providers for outreach and related activities.

(d) At the discretion of local service providers, the state shall allocate the maximum amount allowable under federal law to local service providers to provide services that encourage and enable households to reduce their home energy needs, thus reducing the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, in accordance with Section 2605(b)(16) of Public Law 97-35, as amended.

(e) Based on data from prior years, a reasonable amount of available funds, as determined jointly by the department and the local service providers, shall be reserved until March 15 of each program year for the Energy Crisis Intervention Program. Local service providers shall submit proposed funding levels with supporting data to the department in a timely manner for inclusion in the state plan. The department shall approve local funding requests that are determined to be in compliance with federal law. These funds shall only be used for emergency assistance to eligible individuals for programs specified in this subdivision, who give evidence of one or more of the following conditions:

(1) Proof of utility shutoff notice.

(2) Proof of energy termination.

(3) Insufficient funds to establish a new energy account.

(4) Insufficient funds to pay a delinquent utility bill.

(5) Insufficient funds to pay the cost of space heating devices where no alternative source of space heating is reasonably available.

(6) Insufficient funds to pay for essential firewood, oil, or propane.

(7) Insufficient funds to pay for the cost of emergency repairs to heating and cooling units, the emergency replacement of heating and cooling units, or both.

(8) Insufficient funds to pay energy costs for a household where a household member’s medical condition requires use of life support or climate and temperature control systems.

(9) Other conditions that may be included in the state plan.

The energy crisis intervention program shall not include advocacy, community mobilization, or community planning. After March 15 of each program year, local administrative agencies shall have the option of continuing to offer energy crisis intervention services or of reallocating a portion of or all unspent energy crisis intervention funds into direct assistance payment services.

The department shall allocate 5 percent of the energy crisis intervention program allocation to the local service providers for outreach and related services.

The Department of Community Services and Development shall retain all funds associated with Energy Crisis Intervention Program payments for gas and electric utility service, and shall make payments for eligible households' gas or electric service accounts directly to the utilities. The department may use alternative payment methods when direct payments to the utilities have not been arranged.

(f) The remainder of the total federal allocation shall be utilized for aid for home energy costs for direct assistance payments. The department shall retain all funds associated with Home Energy Assistance Program direct assistance payments for gas and electric utility service, and shall make payments for eligible households' gas or electric service accounts directly to the utilities. The department may use alternative payment methods when direct payments to the utilities have not been arranged.

(g) The Department of Community Services and Development shall contract with local public or private nonprofit agencies, or both, to provide outreach, intake, and other activities to enroll eligible individuals in the program components prescribed by this section.

(h) The program components provided for in this section shall include activities to enroll households that have the highest home energy needs as determined by taking into account both the energy burden of these households, and the unique situation of these households that results from having members of vulnerable populations, including very young children, individuals with disabilities, and frail older individuals, as provided for by Section 2603(3) of Public Law 97-35, as amended, and to educate recipients about general energy conservation practices and about the availability of state and utility programs for free weatherization of low-income homes.

(i) The department shall allocate 5 percent of the direct assistance payment funds to the local service providers for outreach and related services in operating the direct home energy assistance payment program.

(j) The department shall establish a local service providers committee to act in an advisory capacity in the development of the annual Low-Income Home Energy Assistance Program state plan. The membership of the committee shall include one voting representative chosen by each local service provider that has a Low-Income Home Energy Assistance Program contract with the state and one representative of each interested utility company. Each local service provider may, at its option, assign its vote in

writing to another entity, such as a provider association, to represent its interests.

SEC. 71. Section 16428.6 of the Government Code is amended to read:

16428.6. The Attorney General shall promptly notify the Director of Finance, Senate President pro Tempore, and the Speaker of the Assembly upon agreeing on behalf of the state to an energy settlement agreement. Notification shall include a description of how the terms of the settlement agreement, as they pertain to the state, are consistent with the purposes of this article.

SEC. 72. Section 17562 of the Government Code is amended to read:

17562. (a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs.

(b) (1) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by October 31 of each fiscal year beginning with the 2007–08 fiscal year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format.

(2) The Controller shall submit a report to the Joint Legislative Budget Committee, the applicable fiscal committees, and the Director of Finance by April 30 of each fiscal year. This report shall summarize, by state mandate, the total amount of unpaid claims by fiscal year that were submitted before April 1 of that fiscal year. The report shall also summarize any mandate deficiencies or surpluses. It shall be made available in an electronic spreadsheet, and shall be used for the purpose of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the California Constitution.

(c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified.

(d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall report total annual state costs for mandated programs and, as appropriate, provide an analysis of specific mandates and make recommendations on whether the mandate should be repealed, funded, suspended, or modified.

(e) (1) A statewide association of local agencies or school districts or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit

a letter to the Chairs of the Assembly Committee on Education or the Assembly Committee on Local Government, as the case may be, and the Senate Committee on Education or the Senate Committee on Local Government, as the case may be, specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year.

(2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst.

(f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following:

(1) The reports and recommendations submitted pursuant to subdivision (e).

(2) The reports submitted pursuant to Sections 17570, 17600, and 17601.

(3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

SEC. 73. Section 19849.11 of the Government Code is amended to read:

19849.11. The Department of Personnel Administration, subject to such conditions as it may establish, subject to existing statutes governing health benefits and group term life insurance offered through the Public Employees' Retirement System, and subject to all other applicable provisions of state law, may enter into contracts for the purchase of employee benefits with respect to managerial and confidential employees as defined by subdivisions (e) and (f) of Section 3513, and employees excluded from the definition of state employee in subdivision (c) of Section 3513, and officers or employees of the executive branch of government who are not members of the civil service, and supervisory employees as defined in subdivision (g) of Section 3513. Benefits shall include, but not be limited to, group life insurance, group disability insurance, long-term disability insurance, group automobile liability and physical damage insurance, and homeowners' and renters' insurance.

The department may self-insure the long-term disability insurance program if it is cost-effective to do so.

SEC. 74. Section 20233 of the Government Code is repealed.

SEC. 75. Section 20238 of the Government Code is repealed.

SEC. 76. Section 22959.6 of the Government Code is amended to read:

22959.6. (a) The Department of Personnel Administration may contract with one or more vision care plans for annuitants and eligible family members, provided the carrier or carriers have operated successfully in the area of vision care benefits for a reasonable period, as determined by the Department of Personnel Administration.

(b) The Department of Personnel Administration, as the program administrator, has full administrative authority over this program and associated funds and shall require the monthly premium to be paid by the annuitant for the vision care plan. The premium to be paid by the annuitant shall be deducted from his or her monthly allowance. If there are insufficient funds in an annuitant's allowance to pay the premium, the plan provider shall directly bill the annuitant. A vision care plan or plans provided under this authority shall be funded by the annuitants' premium. All premiums received from annuitants shall be deposited in the Vision Care Program for State Annuitants Fund, which is hereby created in the State Treasury. Any income earned on the moneys in the Vision Care Program for State Annuitants Fund shall be credited to the fund. Notwithstanding Section 13340, moneys in the fund are continuously appropriated for the purposes specified in subdivision (d).

(c) An annuitant may enroll in a vision care plan provided by a carrier that also provides a health benefit plan pursuant to Section 22850 if the employee or annuitant is also enrolled in the health benefit plan provided by that carrier. However, nothing in this section may be construed to require an annuitant to enroll in a vision care plan and a health benefit plan provided by the same carrier. An annuitant enrolled in this program shall only enroll into a vision plan or vision plans contracted for by the Department of Personnel Administration.

(d) No contract for a vision care plan may be entered into unless the Department of Personnel Administration determines it is reasonable to do so. Notwithstanding any other provision of law, any premium moneys paid into this program by annuitants for the purposes of the annuitant vision care plan that is contracted for shall be used for the cost of providing vision care benefits to eligible, enrolled annuitants and their eligible and enrolled dependents, the payment of claims for those vision benefits, and the cost of administration of the vision care plan or plans under this vision care program, those costs being determined by the Department of Personnel Administration.

(e) If the Director of the Department of Personnel Administration determines that it is not economically feasible to continue this program anytime after its commencement, the director may, upon written notice to enrollees and to the contracting plan or plans, terminate this program within a reasonable time. The notice of termination to the plan or plans shall be determined by the Department of Personnel Administration. The notice to enrollees of the termination of the program shall commence no later than three months prior to the actual date of termination of the program.

(f) Premium rates for this program shall be determined by the Department of Personnel Administration in conjunction with the contracted plan or plans

and shall be considered separate and apart from active employee premium rates.

SEC. 77. Section 30061 of the Government Code is amended to read:

30061. (a) There shall be established in each county treasury a Supplemental Law Enforcement Services Account (SLESA), to receive all amounts allocated to a county for purposes of implementing this chapter.

(b) In any fiscal year for which a county receives moneys to be expended for the implementation of this chapter, the county auditor shall allocate the moneys in the county's SLESA within 30 days of the deposit of those moneys into the fund. The moneys shall be allocated as follows:

(1) Five and fifteen-hundredths percent to the county sheriff for county jail construction and operation. In the case of Madera, Napa, and Santa Clara Counties, this allocation shall be made to the county director or chief of corrections.

(2) Five and fifteen-hundredths percent to the district attorney for criminal prosecution.

(3) Thirty-nine and seven-tenths percent to the county and the cities within the county, and, in the case of San Mateo, Kern, Siskiyou, and Contra Costa Counties, also to the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District, in accordance with the relative population of the cities within the county and the unincorporated area of the county, and the Broadmoor Police Protection District in the County of San Mateo, the Bear Valley Community Services District and the Stallion Springs Community Services District in Kern County, the Lake Shastina Community Services District in Siskiyou County, and the Kensington Police Protection and Community Services District in Contra Costa County, as specified in the most recent January estimate by the population research unit of the Department of Finance, and as adjusted to provide, except as provided in subdivision (j), a grant of at least one hundred thousand dollars ($100,000) to each law enforcement jurisdiction. For a newly incorporated city whose population estimate is not published by the Department of Finance, but that was incorporated prior to July 1 of the fiscal year in which an allocation from the SLESA is to be made, the city manager, or an appointee of the legislative body, if a city manager is not available, and the county administrative or executive officer shall prepare a joint notification to the Department of Finance and the county auditor with a population estimate reduction of the unincorporated area of the county equal to the population of the newly incorporated city by July 15, or within 15 days after the Budget Act is enacted, of the fiscal year in which an allocation from the SLESA is to be made. No person residing within the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, or the Kensington Police Protection and Community Services District shall also be counted as residing within the unincorporated area of the County of San Mateo, Kern, Siskiyou, or Contra

Costa, or within any city located within those counties. Except as provided in subdivision (j), the county auditor shall allocate a grant of at least one hundred thousand dollars ($100,000) to each law enforcement jurisdiction. Moneys allocated to the county pursuant to this subdivision shall be retained in the county SLESA, and moneys allocated to a city pursuant to this subdivision shall be deposited in an SLESA established in the city treasury.

(4) Fifty percent to the county or city and county to implement a comprehensive multiagency juvenile justice plan as provided in this paragraph. The juvenile justice plan shall be developed by the local juvenile justice coordinating council in each county and city and county with the membership described in Section 749.22 of the Welfare and Institutions Code. If a plan has been previously approved by the Corrections Standards Authority or, commencing July 1, 2012, by the Board of State and Community Corrections, the plan shall be reviewed and modified annually by the council. The plan or modified plan shall be approved by the county board of supervisors, and in the case of a city and county, the plan shall also be approved by the mayor. The plan or modified plan shall be submitted to the Board of State and Community Corrections by May 1 of each year.

(A) Juvenile justice plans shall include, but not be limited to, all of the following components:

(i) An assessment of existing law enforcement, probation, education, mental health, health, social services, drug and alcohol, and youth services resources that specifically target at-risk juveniles, juvenile offenders, and their families.

(ii) An identification and prioritization of the neighborhoods, schools, and other areas in the community that face a significant public safety risk from juvenile crime, such as gang activity, daylight burglary, late-night robbery, vandalism, truancy, controlled substances sales, firearm-related violence, and juvenile substance abuse and alcohol use.

(iii) A local juvenile justice action strategy that provides for a continuum of responses to juvenile crime and delinquency and demonstrates a collaborative and integrated approach for implementing a system of swift, certain, and graduated responses for at-risk youth and juvenile offenders.

(iv) Programs identified in clause (iii) that are proposed to be funded pursuant to this subparagraph, including the projected amount of funding for each program.

(B) Programs proposed to be funded shall satisfy all of the following requirements:

(i) Be based on programs and approaches that have been demonstrated to be effective in reducing delinquency and addressing juvenile crime for any elements of response to juvenile crime and delinquency, including prevention, intervention, suppression, and incapacitation.

(ii) Collaborate and integrate services of all the resources set forth in clause (i) of subparagraph (A), to the extent appropriate.

(iii) Employ information sharing systems to ensure that county actions are fully coordinated, and designed to provide data for measuring the success of juvenile justice programs and strategies.

(iv) Adopt goals related to the outcome measures that shall be used to determine the effectiveness of the local juvenile justice action strategy.

(C) The plan shall also identify the specific objectives of the programs proposed for funding and specified outcome measures to determine the effectiveness of the programs and contain an accounting for all program participants, including those who do not complete the programs. Outcome measures of the programs proposed to be funded shall include, but not be limited to, all of the following:

(i) The rate of juvenile arrests per 100,000 population.

(ii) The rate of successful completion of probation.

(iii) The rate of successful completion of restitution and court-ordered community service responsibilities.

(iv) Arrest, incarceration, and probation violation rates of program participants.

(v) Quantification of the annual per capita costs of the program.

(D) The Board of State and Community Corrections shall review plans or modified plans submitted pursuant to this paragraph within 30 days upon receipt of submitted or resubmitted plans or modified plans. The board shall approve only those plans or modified plans that fulfill the requirements of this paragraph, and shall advise a submitting county or city and county immediately upon the approval of its plan or modified plan. The board shall offer, and provide, if requested, technical assistance to any county or city and county that submits a plan or modified plan not in compliance with the requirements of this paragraph. The SLESA shall only allocate funding pursuant to this paragraph upon notification from the board that a plan or modified plan has been approved.

(c) Subject to subdivision (d), for each fiscal year in which the county, each city, the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District receive moneys pursuant to paragraph (3) of subdivision (b), the county, each city, and each district specified in this subdivision shall appropriate those moneys in accordance with the following procedures:

(1) In the case of the county, the county board of supervisors shall appropriate existing and anticipated moneys exclusively to provide frontline law enforcement services, other than those services specified in paragraphs (1) and (2) of subdivision (b), in the unincorporated areas of the county, in response to written requests submitted to the board by the county sheriff and the district attorney. Any request submitted pursuant to this paragraph shall specify the frontline law enforcement needs of the requesting entity, and those personnel, equipment, and programs that are necessary to meet those needs.

(2) In the case of a city, the city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief of police of that

city or the chief administrator of the law enforcement agency that provides police services for that city.

(3) In the case of the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County, the legislative body of that special district shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief administrator of the law enforcement agency that provides police services for that special district.

(d) For each fiscal year in which the county, a city, or the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County receives any moneys pursuant to this chapter, in no event shall the governing body of any of those recipient agencies subsequently alter any previous, valid appropriation by that body, for that same fiscal year, of moneys allocated to the county or city pursuant to paragraph (3) of subdivision (b).

(e) For the 2011–12 fiscal year, the Controller shall allocate 23.54 percent of the amount deposited in the Local Law Enforcement Services Account in the Local Revenue Fund 2011 for the purposes of paragraphs (1), (2), and (3) of subdivision (b), and shall allocate 23.54 percent for purposes of paragraph (4) of subdivision (b).

(f) Commencing with the 2012–13 fiscal year, the Controller shall allocate 21.86 percent of the amount deposited in the Enhancing Law Enforcement Activities Subaccount in the Local Revenue Fund 2011 for the purposes of paragraphs (1) to (3), inclusive, of subdivision (b), and shall allocate 21.86 percent for purposes of paragraph (4) of subdivision (b).

(g) The Controller shall allocate funds to local jurisdictions for public safety in accordance with this section as annually calculated by the Director of Finance.

(h) Funds received pursuant to subdivision (b) shall be expended or encumbered in accordance with this chapter no later than June 30 of the following fiscal year. A local agency that has not met the requirement of this subdivision shall remit unspent SLESA moneys received after April 1, 2009, to the Controller for deposit in the Local Safety and Protection Account, after April 1, 2012, to the Local Law Enforcement Services Account, and after July 1, 2012, to the County Enhancing Law Enforcement Activities Subaccount.

(i) In the 2010–11 fiscal year, if the fourth quarter revenue derived from fees imposed by subdivision (a) of Section 10752.2 of the Revenue and Taxation Code that are deposited in the General Fund and transferred to the Local Safety and Protection Account, and continuously appropriated to the

Controller for allocation pursuant to this section, are insufficient to provide a minimum grant of one hundred thousand dollars ($100,000) to each law enforcement jurisdiction, the county auditor shall allocate the revenue proportionately, based on the allocation schedule in paragraph (3) of subdivision (b). The county auditor shall proportionately allocate, based on the allocation schedule in paragraph (3) of subdivision (b), all revenues received after the distribution of the fourth quarter allocation attributable to these fees for which payment was due prior to July 1, 2011, until all minimum allocations are fulfilled, at which point all remaining revenue shall be distributed proportionately among the other jurisdictions.

SEC. 78. Section 64000 of the Government Code is amended to read:

64000. (a) The California Transportation Commission may allocate available federal and state transportation funds to the Department of Transportation, consistent with all applicable state and federal laws governing the use of those funds, to implement the purposes of, and to operate and manage, the Transportation Finance Bank as provided in accordance with the provisions of Section 350 of Public Law 104-59 and Section 1511 of Public Law 105-178 using only funds made available to the department through the annual budget act.

(b) The department shall act as a lender in administering the Transportation Finance Bank and in entering into enforceable commitments to implement, operate, and manage the program created by this section to achieve the purposes of the Transportation Finance Bank.

(c) The department shall develop, and may amend as necessary, the guidelines and loan documents for the program, which shall be presented to the commission for adoption.

(d) An allocation of funds by the commission to meet capital and interest obligations created by the Transportation Finance Bank as those obligations become due shall be construed as an expenditure of those funds in the county or counties where the project is located. In the event of default on the loan, an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be deducted from the STIP county share of the affected county or counties pursuant to Sections 14524 and 14525 and an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be transferred from the State Highway Account to the Transportation Finance Bank. Interest shall continue to accrue up to the date that the fund transfer is actually made.

(e) An eligible entity requesting loan funds under this section shall first receive approval of the project from the applicable regional transportation planning agency or county transportation commission where the project is located prior to the execution of a loan agreement with the department and the receipt of any funding.

(f) Only projects that have a dedicated revenue source and are eligible for assistance under Section 1511 of Public Law 105-178 are entitled to funding under this section.

(g) The Local Transportation Loan Account is hereby created in the State Highway Account in the State Transportation Fund for the management of

funds for loans to local entities pursuant to this section. All funds for transportation loans in the Federal Trust Fund are hereby transferred to the Local Transportation Loan Account. The department shall deposit in the Local Transportation Loan Account all money received by the department from repayments of and interest and penalties on existing and future transportation loans from the Transportation Finance Bank. Interest on money in the Local Transportation Loan Account shall be credited to that account as it accrues.

(h) Notwithstanding Section 13340, the money in the Local Transportation Loan Account is continuously appropriated to the department without regard to fiscal years for purposes of loans to eligible projects as defined by Section 1511 of Public Law 105-178.

SEC. 79. Section 63.6 of the Harbors and Navigation Code is repealed.

SEC. 80. Section 1159.5 of the Harbors and Navigation Code is repealed.

SEC. 81. Section 1342.7 of the Health and Safety Code is amended to read:

1342.7. (a) The Legislature finds that in enacting Sections 1367.215, 1367.25, 1367.45, 1367.51, and 1374.72, it did not intend to limit the department's authority to regulate the provision of medically necessary prescription drug benefits by a health care service plan to the extent that the plan provides coverage for those benefits.

(b) (1) Nothing in this chapter shall preclude a plan from filing relevant information with the department pursuant to Section 1352 to seek the approval of a copayment, deductible, limitation, or exclusion to a plan's prescription drug benefits. If the department approves an exclusion to a plan's prescription drug benefits, the exclusion shall not be subject to review through the independent medical review process pursuant to Section 1374.30 on the grounds of medical necessity. The department shall retain its role in assessing whether issues are related to coverage or medical necessity pursuant to paragraph (2) of subdivision (d) of Section 1374.30.

(2) A plan seeking approval of a copayment or deductible may file an amendment pursuant to Section 1352.1. A plan seeking approval of a limitation or exclusion shall file a material modification pursuant to subdivision (b) of Section 1352.

(c) Nothing in this chapter shall prohibit a plan from charging a subscriber or enrollee a copayment or deductible for a prescription drug benefit or from setting forth by contract, a limitation or an exclusion from, coverage of prescription drug benefits, if the copayment, deductible, limitation, or exclusion is reported to, and found unobjectionable by, the director and disclosed to the subscriber or enrollee pursuant to the provisions of Section 1363.

(d) The department in developing standards for the approval of a copayment, deductible, limitation, or exclusion to a plan's prescription drug benefits, shall consider alternative benefit designs, including, but not limited to, the following:

(1) Different out-of-pocket costs for consumers, including copayments and deductibles.

(2) Different limitations, including caps on benefits.

(3) Use of exclusions from coverage of prescription drugs to treat various conditions, including the effect of the exclusions on the plan's ability to provide basic health care services, the amount of subscriber or enrollee premiums, and the amount of out-of-pocket costs for an enrollee.

(4) Different packages negotiated between purchasers and plans.

(5) Different tiered pharmacy benefits, including the use of generic prescription drugs.

(6) Current and past practices.

(e) The department shall develop a regulation outlining the standards to be used in reviewing a plan's request for approval of its proposed copayment, deductible, limitation, or exclusion on its prescription drug benefits.

(f) Nothing in subdivision (b) or (c) shall permit a plan to limit prescription drug benefits provided in a manner that is inconsistent with Sections 1367.215, 1367.25, 1367.45, 1367.51, and 1374.72.

(g) Nothing in this section shall be construed to require or authorize a plan that contracts with the State Department of Health Services to provide services to Medi-Cal beneficiaries or with the Managed Risk Medical Insurance Board to provide services to enrollees of the Healthy Families Program to provide coverage for prescription drugs that are not required pursuant to those programs or contracts, or to limit or exclude any prescription drugs that are required by those programs or contracts.

(h) Nothing in this section shall be construed as prohibiting or otherwise affecting a plan contract that does not cover outpatient prescription drugs except for coverage for limited classes of prescription drugs because they are integral to treatments covered as basic health care services, including, but not limited to, immunosuppressives, in order to allow for transplants of bodily organs.

(i) The department shall periodically review its regulations developed pursuant to this section.

(j) This section shall become operative on January 2, 2003, and shall only apply to contracts issued, amended, or renewed on or after that date.

SEC. 82. Section 1357.16 of the Health and Safety Code is amended to read:

1357.16. (a) Health care service plans may enter into contractual agreements with qualified associations, as defined in subdivision (b), under which these qualified associations may assume responsibility for performing specific administrative services, as defined in this section, for qualified association members. Health care service plans that enter into agreements with qualified associations for assumption of administrative services shall establish uniform definitions for the administrative services that may be provided by a qualified association or its third-party administrator. The health care service plan shall permit all qualified associations to assume one or more of these functions when the health care service plan determines the qualified association demonstrates the administrative capacity to assume these functions.

For the purposes of this section, administrative services provided by qualified associations or their third-party administrators shall be services pertaining to eligibility determination, enrollment, premium collection, sales, or claims administration on a per-claim basis that would otherwise be provided directly by the health care service plan or through a third-party administrator on a commission basis or an agent or solicitor workforce on a commission basis.

Each health care service plan that enters into an agreement with any qualified association for the provision of administrative services shall offer all qualified associations with which it contracts the same premium discounts for performing those services the health care service plan has permitted the qualified association or its third-party administrator to assume. The health care service plan shall apply these uniform discounts to the health care service plan's risk adjusted employee risk rates after the health plan has determined the qualified association's risk adjusted employee risk rates pursuant to Section 1357.12. The health care service plan shall report to the Department of Managed Health Care its schedule of discount for each administrative service.

In no instance may a health care service plan provide discounts to qualified associations that are in any way intended to, or materially result in, a reduction in premium charges to the qualified association due to the health status of the membership of the qualified association. In addition to any other remedies available to the director to enforce this chapter, the director may declare a contract between a health care service plan and a qualified association for administrative services pursuant to this section null and void if the director determines any discounts provided to the qualified association are intended to, or materially result in, a reduction in premium charges to the qualified association due to the health status of the membership of the qualified association.

(b) For the purposes of this section, a qualified association is a nonprofit corporation comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, that conforms to all of the following requirements:

(1) It accepts for membership any individual or small employer meeting its membership criteria.

(2) It does not condition membership directly or indirectly on the health or claims history of any person.

(3) It uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association.

(4) It is organized and maintained in good faith for purposes unrelated to insurance.

(5) It existed on January 1, 1972, and has been in continuous existence since that date.

(6) It has a constitution and bylaws or other analogous governing documents that provide for election of the governing board of the association by its members.

(7) It offered, marketed, or sold health coverage to its members for 20 continuous years prior to January 1, 1993.

(8) It agrees to offer only to association members any plan contract.

(9) It agrees to include any member choosing to enroll in the plan contract offered by the association, provided that the member agrees to make required premium payments.

(10) It complies with all provisions of this article.

(11) It had at least 10,000 enrollees covered by association sponsored plans immediately prior to enactment of Chapter 1128 of the Statutes of 1992.

(12) It applies any administrative cost at an equal rate to all members purchasing coverage through the qualified association.

(c) A qualified association shall comply with Section 1357.52.

SEC. 83. Section 1626 of the Health and Safety Code is amended to read:

1626. (a) Except as provided in subdivisions (b) and (c), it shall be unlawful, in any transfusion of blood, to use any blood that was obtained from a paid donor.

(b) Subdivision (a) shall not be applicable to any transfusion of blood that was obtained from a paid donor if the physician and surgeon performing the transfusion has determined, taking into consideration the condition of the patient who is the recipient of the transfusion, that other blood of a type compatible with the blood type of the patient cannot reasonably be obtained for the transfusion.

(c) Subdivision (a) shall not apply to blood platelets secured from paid donors through the hemapheresis process if all of the following requirements are satisfied:

(1) The blood platelets are ordered by a doctor holding a valid California physician's and surgeon's certificate.

(2) The blood platelets are secured from a single donor and are sufficient to constitute a complete platelet transfusion.

(3) The donor's identification number is recorded on the platelet label and is kept in the records of the entity providing the blood platelets for a minimum of five years.

(4) The donor has been examined by a doctor holding a valid California physician's and surgeon's certificate, and a repeat donor is reexamined at least annually.

(5) The transfusion is performed in a general acute care hospital.

(6) The blood platelets are processed according to standards issued by the American Association of Blood Banks, pursuant to Section 1602.1.

(7) The donor and blood are tested in accordance with regulations issued by the State Department of Health Services.

(8) The entity providing the blood platelets is licensed by the State Department of Health Services.

(9) The information that the donor of the blood platelets was compensated is printed on the label in accordance with Section 1603.5.

(10) In all instances, a potential donor shall provide a blood sample, which shall be tested with the standard panel of blood tests required by the State Department of Health Services for all blood donations. The results of the testing shall be obtained, evaluated, and determined to be acceptable prior to allowing the potential donor to provide his or her first donation of platelets. In addition, all donors shall be required to schedule an appointment for platelet donation.

(11) Any entity that is not collecting blood platelets from paid donors on August 1, 2000, shall obtain written permission from the director prior to compensating any donor for blood platelets.

(d) Subdivision (c) shall become inoperative on January 1, 2003.

SEC. 84. Section 24275 of the Health and Safety Code is amended to read:

24275. (a) If the State Department of Health Services believes that the air monitoring standard for asbestos in public school buildings as specified in Section 49410.7 of the Education Code should be revised, it shall promulgate a regulation to that effect.

(b) The department shall provide the Office of Public School Construction with appropriate sampling methodology for use in taking air samples in public school buildings.

SEC. 85. Section 25150.7 of the Health and Safety Code is amended to read:

25150.7. (a) The Legislature finds and declares that this section is intended to address the unique circumstances associated with the generation and management of treated wood waste. The Legislature further declares that this section does not set a precedent applicable to the management, including disposal, of other hazardous wastes.

(b) For purposes of this section, the following definitions shall apply:

(1) "Treated wood" means wood that has been treated with a chemical preservative for purposes of protecting the wood against attacks from insects, microorganisms, fungi, and other environmental conditions that can lead to decay of the wood and the chemical preservative is registered pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Sec. 136 et seq.).

(2) "Wood preserving industry" means business concerns, other than retailers, that manufacture or sell treated wood products in the state.

(c) This section applies only to treated wood waste that is a hazardous waste, solely due to the presence of a preservative in the wood, and to which both of the following requirements apply:

(1) The treated wood waste is not subject to regulation as a hazardous waste under the federal act.

(2) Section 25143.1.5 does not apply to the treated wood waste.

(d) (1) Notwithstanding Sections 25189.5 and 25201, treated wood waste shall be disposed of in either a class I hazardous waste landfill, or in a composite-lined portion of a solid waste landfill unit that meets all

requirements applicable to disposal of municipal solid waste in California after October 9, 1993, and that is regulated by waste discharge requirements issued pursuant to Division 7 (commencing with Section 13000) of the Water Code for discharges of designated waste, as defined in Section 13173 of the Water Code, or treated wood waste.

(2) A solid waste landfill that accepts treated wood waste shall comply with all of the following requirements:

(A) Manage the treated wood waste so as to prevent scavenging.

(B) Ensure that any management of the treated wood waste at the solid waste landfill prior to disposal, or in lieu of disposal, complies with the applicable requirements of this chapter, except as otherwise provided by regulations adopted pursuant to subdivision (f).

(C) If monitoring at the composite-lined portion of a landfill unit at which treated wood waste has been disposed of indicates a verified release, then treated wood waste shall no longer be discharged to that landfill unit until corrective action results in cessation of the release.

(e) (1) Each wholesaler and retailer of treated wood and treated wood-like products in this state shall conspicuously post information at or near the point of display or customer selection of treated wood and treated wood-like products used for fencing, decking, retaining walls, landscaping, outdoor structures, and similar uses. The information shall be provided to wholesalers and retailers by the wood preserving industry in 22-point font, or larger, and contain the following message:

Warning—Potential Danger

These products are treated with wood preservatives registered with the United States Environmental Protection Agency and the California Department of Pesticide Regulation and should only be used in compliance with the product labels.

This wood may contain chemicals classified by the State of California as hazardous and should be handled and disposed of with care. Check product label for specific preservative information and Proposition 65 warnings concerning presence of chemicals known to the State of California to cause cancer or birth defects.

Anyone working with treated wood, and anyone removing old treated wood, needs to take precautions to minimize exposure to themselves, children, pets, or wildlife, including:

□ Avoid contact with skin. Wear gloves and long sleeved shirts when working with treated wood. Wash exposed areas thoroughly with mild soap and water after working with treated wood.

□ Wear a dust mask when machining any wood to reduce the inhalation of wood dusts. Avoid frequent or prolonged inhalation of sawdust from treated wood. Machining operations should be performed outdoors whenever possible to avoid indoor accumulations of airborne sawdust.

□ Wear appropriate eye protection to reduce the potential for eye injury from wood particles and flying debris during machining.

□ If preservative or sawdust accumulates on clothes, launder before reuse. Wash work clothes separately from other household clothing.

□ Promptly clean up and remove all sawdust and scraps and dispose of appropriately.

□ Do not use treated wood under circumstances where the preservative may become a component of food or animal feed.

□ Only use treated wood that's visibly clean and free from surface residue for patios, decks, or walkways.

□ Do not use treated wood where it may come in direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

□ Do not use treated wood for mulch.

□ Do not burn treated wood. Preserved wood should not be burned in open fires, stoves, or fireplaces.

For further information, go to the Internet Web site for the Western Wood Preservers Institute (http://www.wwpinstitute.org) or call the toll-free telephone number of the California Treated Wood Information Hotline at 1-866-696-8315.

In addition to the above listed precautions, treated wood waste shall be managed in compliance with applicable hazardous waste control laws.

(2) On or before July 1, 2005, the wood preserving industry shall, jointly and in consultation with the department, make information available to generators of treated wood waste, including fencing, decking and landscape contractors, solid waste landfills, and transporters, that describes how to best handle, dispose of, and otherwise manage treated wood waste, through the use either of a toll-free telephone number, Internet Web site, information labeled on the treated wood, information accompanying the sale of the treated wood, or by mailing if the department determines that mailing is feasible and other methods of communication would not be as effective. A treated wood manufacturer or supplier to a wholesaler or retailer shall also provide the information with each shipment of treated wood products to a wholesaler or retailer, and the wood preserving industry shall provide it to fencing, decking, and landscaping contractors, by mail, using the Contractors' State License Board's available listings, and license application packages. The department may provide guidance to the wood preserving industry, to the extent resources permit.

(f) (1) On or before January 1, 2007, the department, in consultation with the Department of Resources Recycling and Recovery, the State Water Resources Control Board, and the Office of Environmental Health Hazard Assessment, and after consideration of any known health hazards associated with treated wood waste, shall adopt and may subsequently revise as necessary, regulations establishing management standards for treated wood waste as an alternative to the requirements specified in this chapter and the regulations adopted pursuant to this chapter.

(2) The regulations adopted pursuant to this subdivision shall, at a minimum, ensure all of the following:

(A) Treated wood waste is properly stored, treated, transported, tracked, disposed of, and otherwise managed so as to prevent, to the extent practical, releases of hazardous constituents to the environment, prevent scavenging, and prevent harmful exposure of people, including workers and children, aquatic life, and animals to hazardous chemical constituents of the treated wood waste.

(B) Treated wood waste is not reused, with or without treatment, except for a purpose that is consistent with the approved use of the preservative with which the wood has been treated. For purposes of this subparagraph, "approved uses" means a use approved at the time the treated wood waste is reused.

(C) Treated wood waste is managed in accordance with all applicable laws.

(D) Any size reduction of treated wood waste is conducted in a manner that prevents the uncontrolled release of hazardous constituents to the environment, and that conforms to applicable worker health and safety requirements.

(E) All sawdust and other particles generated during size reduction are captured and managed as treated wood waste.

(F) All employees involved in the acceptance, storage, transport, and other management of treated wood waste are trained in the safe and legal management of treated wood waste, including, but not limited to, procedures for identifying and segregating treated wood waste.

(3) This subdivision does not authorize the department to adopt a regulation that does one or more of the following:

(A) Imposes a requirement as an addition to, rather than as an alternative to, one or more of the requirements of this chapter.

(B) Supersedes subdivision (d) concerning the disposal of treated wood waste.

(C) Supersedes any other provision of this chapter that provides a conditional or unconditional exclusion, exemption, or exception to a requirement of this chapter or the regulations adopted pursuant to this chapter, except the department may adopt a regulation pursuant to this subdivision that provides an alternative condition for a requirement specified in this chapter for an exclusion, exemption, or exception and that allows an affected person to choose between complying with the requirements specified

in this chapter or complying with the alternative conditions set forth in the regulation.

(g) (1) A person managing treated wood waste who is subject to a requirement of this chapter, including a regulation adopted pursuant to this chapter, shall comply with either the alternative standard specified in the regulations adopted pursuant to subdivision (f) or with the requirements of this chapter.

(2) A person who is in compliance with the alternative standard specified in the regulations adopted pursuant to subdivision (f) is deemed to be in compliance with the requirement of this chapter for which the regulation is identified as being an alternative, and the department and any other entity authorized to enforce this chapter shall consider that person to be in compliance with that requirement of this chapter.

(h) On January 1, 2005, all variances granted by the department before January 1, 2005, governing the management of treated wood waste are inoperative and have no further effect.

(i) This section does not limit the authority or responsibility of the department to adopt regulations under any other law.

(j) This section shall become inoperative on June 1, 2017, and, as of January 1, 2018, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2018, deletes or extends the dates on which it becomes inoperative and is repealed.

(k) A regulation adopted pursuant to this section on or before June 1, 2012, shall continue in force and effect after that date, until repealed or revised by the department.

SEC. 86. Section 25174 of the Health and Safety Code is amended to read:

25174. (a) There is in the General Fund the Hazardous Waste Control Account, which shall be administered by the director. In addition to any other money that may be deposited in the Hazardous Waste Control Account, pursuant to statute, all of the following amounts shall be deposited in the account:

(1) The fees collected pursuant to Sections 25174.1, 25205.2, 25205.5, 25205.15, and 25205.16.

(2) The fees collected pursuant to Section 25187.2, to the extent that those fees are for the oversight of corrective action taken under this chapter.

(3) Any interest earned upon the money deposited in the Hazardous Waste Control Account.

(4) Any money received from the federal government pursuant to the federal act.

(5) Any reimbursements for funds expended from the Hazardous Waste Control Account for services provided by the department pursuant to this chapter, including, but not limited to, the reimbursements required pursuant to Sections 25201.9 and 25205.7.

(b) The funds deposited in the Hazardous Waste Control Account may be appropriated by the Legislature, for expenditure as follows:

(1) To the department for the administration and implementation of this chapter.

(2) To the department for allocation to the State Board of Equalization to pay refunds of fees collected pursuant to Sections 43051 and 43053 of the Revenue and Taxation Code and for the administration and collection of the fees imposed pursuant to Article 9.1 (commencing with Section 25205.1) that are deposited into the Hazardous Waste Control Account.

(3) To the department for the costs of performance or review of analyses of past, present, or potential environmental public health effects related to toxic substances, including extremely hazardous waste, as defined in Section 25115, and hazardous waste, as defined in Section 25117.

(4) To the department for allocation to the office of the Attorney General for the support of the Toxic Substance Enforcement Program in the office of the Attorney General, in carrying out the purposes of this chapter.

(5) To the department for administration and implementation of Chapter 6.11 (commencing with Section 25404).

(c) (1) Expenditures from the Hazardous Waste Control Account for support of state agencies other than the department shall, upon appropriation by the Legislature to the department, be subject to an interagency agreement or similar mechanism between the department and the state agency receiving the support.

(2) The department shall, at the time of the release of the annual Governor's Budget, describe the budgetary amounts proposed to be allocated to the State Board of Equalization, as specified in paragraph (2) of subdivision (b) and in paragraph (3) of subdivision (b) of Section 25173.6, for the upcoming fiscal year.

(3) It is the intent of the Legislature that moneys appropriated in the annual Budget Act each year for the purpose of reimbursing the State Board of Equalization, a private party, or other public agency, for the administration and collection of the fees imposed pursuant to Article 9.1 (commencing with Section 25205.1) and deposited in the Hazardous Waste Control Account, shall not exceed the costs incurred by the State Board of Equalization, the private party, or other public agency, for the administration and collection of those fees.

(d) With respect to expenditures for the purposes of paragraphs (1) and (3) of subdivision (b) and paragraphs (1) and (2) of subdivision (b) of Section 25173.6, the department shall, at the time of the release of the annual Governor's Budget, also make available the budgetary amounts and allocations of staff resources of the department proposed for the following activities:

(1) The department shall identify, by permit type, the projected allocations of budgets and staff resources for hazardous waste facilities permits, including standardized permits, closure plans, and postclosure permits.

(2) The department shall identify, with regard to surveillance and enforcement activities, the projected allocations of budgets and staff resources for the following types of regulated facilities and activities:

(A) Hazardous waste facilities operating under a permit or grant of interim status issued by the department, and generator activities conducted at those facilities. This information shall be reported by permit type.

(B) Transporters.

(C) Response to complaints.

(3) The department shall identify the projected allocations of budgets and staff resources for both of the following activities:

(A) The registration of hazardous waste transporters.

(B) The operation and maintenance of the hazardous waste manifest system.

(4) The department shall identify, with regard to site mitigation and corrective action, the projected allocations of budgets and staff resources for the oversight and implementation of the following activities:

(A) Investigations and removal and remedial actions at military bases.

(B) Voluntary investigations and removal and remedial actions.

(C) State match and operation and maintenance costs, by site, at joint state and federally funded National Priority List Sites.

(D) Investigation, removal and remedial actions, and operation and maintenance at the Stringfellow Hazardous Waste Site.

(E) Investigation, removal and remedial actions, and operation and maintenance at the Casmalia Hazardous Waste Site.

(F) Investigations and removal and remedial actions at nonmilitary, responsible party lead National Priority List Sites.

(G) Preremedial activities under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.).

(H) Investigations, removal and remedial actions, and operation and maintenance at state-only orphan sites.

(I) Investigations and removal and remedial actions at nonmilitary, non-National Priority List responsible party lead sites.

(J) Investigations, removal and remedial actions, and operation and maintenance at Expedited Remedial Action Program sites pursuant to former Chapter 6.85 (commencing with Section 25396).

(K) Corrective actions at hazardous waste facilities.

(5) The department shall identify, with regard to the regulation of hazardous waste, the projected allocation of budgets and staff resources for the following activities:

(A) Determinations pertaining to the classification of hazardous wastes.

(B) Determinations for variances made pursuant to Section 25143.

(C) Other determinations and responses to public inquiries made by the department regarding the regulation of hazardous waste and hazardous substances.

(6) The department shall identify projected allocations of budgets and staff resources needed to do all of the following:

(A) Identify, remove, store, and dispose of, suspected hazardous substances or hazardous materials associated with the investigation of clandestine drug laboratories.

(B) Respond to emergencies pursuant to Section 25354.

(C) Create, support, maintain, and implement the railroad accident prevention and immediate deployment plan developed pursuant to Section 7718 of the Public Utilities Code.

(7) The department shall identify projected allocations of budgets and staff resources for the administration and implementation of the unified hazardous waste and hazardous materials regulatory program established pursuant to Chapter 6.11 (commencing with Section 25404).

(8) The department shall identify the total cumulative expenditures of the Regulatory Structure Update and Site Mitigation Update projects since their inception, and shall identify the total projected allocations of budgets and staff resources that are needed to continue these projects.

(9) The department shall identify the total projected allocations of budgets and staff resources that are necessary for all other activities proposed to be conducted by the department.

(e) Notwithstanding this chapter, or Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code, for any fees, surcharges, fines, penalties, and funds that are required to be deposited into the Hazardous Waste Control Account or the Toxic Substances Control Account, the department, with the approval of the Secretary for Environmental Protection, may take any of the following actions:

(1) Assume responsibility for, or enter into a contract with a private party or with another public agency, other than the State Board of Equalization, for the collection of any fees, surcharges, fines, penalties and funds described in subdivision (a) or otherwise described in this chapter or Chapter 6.8 (commencing with Section 25300), for deposit into the Hazardous Waste Control Account or the Toxic Substances Control Account.

(2) Administer, or by mutual agreement, contract with a private party or another public agency, for the making of those determinations and the performance of functions that would otherwise be the responsibility of the State Board of Equalization pursuant to this chapter, Chapter 6.8 (commencing with Section 25300), or Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code, if those activities and functions for which the State Board of Equalization would otherwise be responsible become the responsibility of the department or, by mutual agreement, the contractor selected by the department.

(f) If, pursuant to subdivision (e), the department, or a private party or another public agency, pursuant to a contract with the department, performs the determinations and functions that would otherwise be the responsibility of the State Board of Equalization, the department shall be responsible for ensuring that persons who are subject to the fees specified in subdivision (e) have equivalent rights to public notice and comment, and procedural and substantive rights of appeal, as afforded by the procedures of the State Board of Equalization pursuant to Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code. Final responsibility for the administrative adjustment of fee rates and the administrative appeal of

any fees or penalty assessments made pursuant to this section may only be assigned by the department to a public agency.

(g) If, pursuant to subdivision (e), the department, or a private party or another public agency, pursuant to a contract with the department, performs the determinations and functions that would otherwise be the responsibility of the State Board of Equalization, the department shall have equivalent authority to make collections and enforce judgments as provided to the State Board of Equalization pursuant to Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code. Unpaid amounts, including penalties and interest, shall be a perfected and enforceable state tax lien in accordance with Section 43413 of the Revenue and Taxation Code.

(h) The department, with the concurrence of the Secretary for Environmental Protection, shall determine which administrative functions should be retained by the State Board of Equalization, administered by the department, or assigned to another public agency or private party pursuant to subdivisions (e), (f), and (g).

(i) The department may adopt regulations to implement subdivisions (e) to (h), inclusive.

(j) The Director of Finance, upon request of the director, may make a loan from the General Fund to the Hazardous Waste Control Account to meet cash needs. The loan shall be subject to the repayment provisions of Section 16351 of the Government Code and the interest provisions of Section 16314 of the Government Code.

(k) The department shall establish, within the Hazardous Waste Control Account, a reserve of at least one million dollars ($1,000,000) each year to ensure that all programs funded by the Hazardous Waste Control Account will not be adversely affected by any revenue shortfalls.

SEC. 87. Section 25244.11 of the Health and Safety Code is repealed.

SEC. 88. Section 25299.50 of the Health and Safety Code is amended to read:

25299.50. (a) The Underground Storage Tank Cleanup Fund is hereby created in the State Treasury. The money in the fund may be expended by the board, upon appropriation by the Legislature, for purposes of this chapter. From time to time, the board may modify existing accounts or create accounts in the fund or other funds administered by the board, which the board determines are appropriate or necessary for proper administration of this chapter.

(b) Except for funds transferred to the Drinking Water Treatment and Research Fund created pursuant to subdivision (c) of Section 116367, all of the following amounts shall be deposited in the fund:

(1) Money appropriated by the Legislature for deposit in the fund.

(2) The fees, interest, and penalties collected pursuant to Article 5 (commencing with Section 25299.40).

(3) Notwithstanding Section 16475 of the Government Code, any interest earned upon the money deposited in the fund.

(4) Any money recovered by the fund pursuant to Section 25299.70.

(5) Any civil penalties collected by the board or regional board pursuant to Section 25299.76.

(c) Notwithstanding subdivision (a), any funds appropriated by the Legislature in the annual Budget Act for payment of a claim for the costs of a corrective action in response to an unauthorized release, that are encumbered for expenditure for a corrective action pursuant to a letter of credit issued by the board pursuant to subdivision (e) of Section 25299.57, but are subsequently not expended for that corrective action claim, may be reallocated by the board for payment of other claims for corrective action pursuant to Section 25299.57.

SEC. 89. Section 25299.112 of the Health and Safety Code is repealed.

SEC. 90. Section 43105.5 of the Health and Safety Code is amended to read:

43105.5. (a) For all 1994 and later model-year motor vehicles equipped with on board diagnostic systems (OBD's) and certified in accordance with the test procedures adopted pursuant to Section 43104, the state board, not later than January 1, 2002, shall adopt regulations that require a motor vehicle manufacturer to do all of the following to the extent not limited or prohibited by federal law (the regulations adopted by the state board pursuant to this provision may include subject matter similar to the subject matter included in regulations adopted by the United States Environmental Protection Agency):

(1) Make available, within a reasonable period of time, and by reasonable business means, including, but not limited to, use of the Internet, as determined by the state board, to all covered persons, the full contents of all manuals, technical service bulletins, and training materials regarding emissions-related motor vehicle information that is made available to their franchised dealerships.

(2) Make available for sale to all covered persons the manufacturer's emissions-related enhanced diagnostic tools, and make emissions-related enhanced data stream information and bidirectional controls related to tools available in electronic format to equipment and tool companies.

(3) If the motor vehicle manufacturer uses reprogrammable computer chips in its motor vehicles, provide equipment and tool companies with the information that is provided by the manufacturer to its dealerships to allow those companies to incorporate into aftermarket tools the same reprogramming capability.

(4) Make available to all covered persons, within a reasonable period of time, a general description of their on board diagnostic systems (OBD II) for the 1996 and subsequent model-years, which shall contain the information described in this paragraph. For each monitoring system utilized by a manufacturer that illuminates the OBD II malfunction indicator light, the motor vehicle manufacturer shall provide all of the following:

(A) A general description of the operation of the monitor, including a description of the parameter that is being monitored.

(B) A listing of all typical OBD II diagnostic trouble codes associated with each monitor.

(C) A description of the typical enabling conditions for each monitor to execute during vehicle operation, including, but not limited to, minimum and maximum intake air and engine coolant temperature, vehicle speed range, and time after engine startup.

(D) A listing of each monitor sequence, execution frequency, and typical duration.

(E) A listing of typical malfunction thresholds for each monitor.

(F) For OBD II parameters for specific vehicles that deviate from the typical parameters, the OBD II description shall indicate the deviation and provide a separate listing of the typical value for those vehicles.

(G) The information required by this paragraph shall not include specific algorithms, specific software code, or specific calibration data beyond that required to be made available through the generic scan tool in federal and California on board diagnostic regulations.

(5) Not utilize any access or recognition code or any type of encryption for the purpose of preventing a vehicle owner from using an emissions-related motor vehicle part with the exception of the powertrain control modules, engine control modules, and transmission control modules, that has not been manufactured by that manufacturer or any of its original equipment suppliers.

(6) Provide to all covered persons information regarding initialization procedures relating to immobilizer circuits or other lockout devices to reinitialize vehicle on board computers that employ integral vehicle security systems if necessary to repair or replace an emissions-related part, or if necessary for the proper installation of vehicle on board computers that employ integral vehicle security systems.

(7) All information required to be provided to covered persons by this section shall be provided, for fair, reasonable, and nondiscriminatory compensation, in a format that is readily accessible to all covered persons, as determined by the state board.

(b) Any information required to be disclosed pursuant to a final regulation adopted under this section that the motor vehicle manufacturer demonstrates to a court, on a case-by-case basis, to be a trade secret pursuant to the Uniform Trade Secret Act contained in Title 5 (commencing with Section 3426) of Part 1 of Division 4 of the Civil Code, shall be exempt from disclosure, unless the court, upon the request of a covered person seeking disclosure of the information, determines that the disclosure of the information is necessary to mitigate anticompetitive effects. In making this determination, the court shall consider, among other things, the practices of any motor vehicle manufacturer that results in the fullest disclosure of information listed in paragraph (4) of subdivision (a). In actions subject to this subdivision, the court shall preserve the secrecy of an alleged trade secret by reasonable means, which may include granting a protective order in connection with discovery proceedings, holding an in-camera hearing, sealing the record of the action, or ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval.

(c) If information is required to be disclosed by a motor vehicle manufacturer pursuant to subdivision (b), the court shall allow for the imposition of reasonable business conditions as a condition of disclosure, and may include punitive sanctions for the improper release of information that is determined to be a trade secret to a competitor of the manufacturer. The court shall also provide for fair, reasonable, and nondiscrimatory compensation to the motor vehicle manufacturer for the disclosure of information determined by the court to be a trade secret and required to be disclosed pursuant to subdivision (b). The court shall provide for the dissemination of trade secret information required to be disclosed pursuant to subdivision (b) through licensing agreements and the collection of reasonable licensing fees. If the court determines that disclosure of any of the information required to be disclosed under subdivision (b) constitutes a taking of personal property, a jury trial shall be held to determine the amount of compensation for that taking, unless waived by the motor vehicle manufacturer.

(d) The state board shall periodically conduct surveys to determine whether the information requirements imposed by this section are being fulfilled by actual field availability of the information.

(e) If the executive officer of the state board obtains credible evidence that a motor vehicle manufacturer has failed to comply with any of the requirements of this section or the regulations adopted by the state board, the executive officer shall issue a notice to comply to the manufacturer. Not later than 30 days after issuance of the notice to comply, the vehicle manufacturer shall submit to the executive officer a compliance plan, unless within that 30-day period the manufacturer requests an administrative hearing to contest the basis or scope of the notice to comply in accordance with subdivision (f). The executive officer shall accept the compliance plan if it provides adequate demonstration that the manufacturer will come into compliance with this section and the board's implementing regulations within 45 days following submission of the plan. However, the executive officer may extend the compliance period if the executive officer determines that the violation cannot be remedied within that period.

(f) If the motor vehicle manufacturer contests a notice to comply pursuant to subdivision (e) or the executive officer rejects the compliance plan submitted by the manufacturer, an administrative hearing shall be conducted by a hearing officer appointed by the state board, in accordance with procedures established by the state board. The hearing procedures shall provide the manufacturer and any other interested party at least 30 days notice of the hearing. If, after the hearing, the hearing officer appointed by the state board finds that the motor vehicle manufacturer has failed to comply with any of the requirements of this section or the regulations adopted by the state board, and the manufacturer fails to correct the violation with 30 days from the date of the finding, the hearing officer may impose a civil penalty upon the manufacturer in an amount not to exceed twenty-five thousand dollars ($25,000) per day per violation until the violation is corrected, as determined in accordance with the hearing procedures

established by the state board. The hearing procedures may provide additional time for compliance prior to imposing a civil penalty. If so, the hearing officer may grant additional time for compliance if he or she determines that the violation cannot be remedied within 30 days of the finding that a violation has occurred.

(g) Nothing in this section is intended to authorize the infringement of intellectual property rights embodied in United States patents, trademarks, or copyrights, to the extent those rights may be exercised consistently with any other federal laws.

SEC. 91. Section 44003 of the Health and Safety Code is amended to read:

44003. (a) (1) An enhanced motor vehicle inspection and maintenance program is established in each urbanized area of the state, any part of which is classified by the Environmental Protection Agency as a serious, severe, or extreme nonattainment area for ozone or a moderate or serious nonattainment area for carbon monoxide with a design value greater than 12.7 ppm, and in other areas of the state as provided in this chapter.

(2) A basic vehicle inspection and maintenance program shall be continued in all other areas of the state where a program was in existence under this chapter as of the effective date of this paragraph.

(b) The department may prescribe different test procedures and equipment requirements for those areas described in subdivision (a). Program components shall be operated in all program areas unless otherwise indicated, as determined by the department. In those areas where the biennial program is not implemented and smog check inspections are required to complete the requirements set forth in Sections 4000.1 and 4000.2 of the Vehicle Code, program elements that apply in basic areas, including test equipment requirements for smog check stations, shall apply.

(c) (1) Districts classified as attainment areas may request the department to implement all or part of the program elements defined in this chapter. However, the department shall not implement the program established by Section 44010.5 in any area other than an urbanized area, any part of which is classified by the Environmental Protection Agency as a serious, severe, or extreme nonattainment area for ozone or a moderate or serious nonattainment area for carbon monoxide with a design value greater than 12.7 ppm.

(2) Districts that include areas classified as basic program nonattainment areas pursuant to subdivision (a) may, except as provided in paragraph (1), request the implementation in those areas of test procedures and equipment required for enhanced program areas and any other program requirement specified for enhanced program areas.

SEC. 92. Section 44014.6 of the Health and Safety Code is amended to read:

44014.6. (a) The inspection-based performance standards created for the certification program established pursuant to subdivision (a) of Section 44014.2 and subdivision (d) of Section 44014.5 shall be based on the same criteria.

(b) The performance standards described in subdivision (a) shall be applied to smog check technicians licensed pursuant to this chapter, if the department determines that is feasible.

SEC. 93. Section 44024 of the Health and Safety Code is amended to read:

44024. (a) The department, in cooperation with the state board, shall investigate new technologies, including the role of onboard diagnostic systems in vehicles, as a means both for detecting excess emissions and defective emission control equipment, and for assisting in determining what repairs would be effective.

(b) To incorporate new technologies into the program, the department may institute the following changes if the department determines that the changes will be cost-effective and convenient to vehicle owners:

(1) The schedule for testing and certifying vehicles.

(2) The location and method for complying with the test requirements otherwise applicable under this chapter.

(3) The equipment requirements and repair procedures, including the imposition of new or revised diagnostic procedures, to be used at licensed smog check stations.

(4) The training, skill, and licensing requirements for smog check technicians.

(5) The applicable test procedures and emission standards, as applied at smog check stations, and during roadside inspection.

SEC. 94. Section 44081.6 of the Health and Safety Code is amended to read:

44081.6. (a) The California Environmental Protection Agency, the state board, and the department, in cooperation with, and with the participation of, the Environmental Protection Agency, shall jointly undertake a pilot demonstration program to do all of the following:

(1) Determine the emission reduction effectiveness of alternative loaded mode emission tests compared to the IM240 test.

(2) Quantify the emission reductions, above and beyond those required by Environmental Protection Agency regulation or by the biennial test requirement, achievable from a remote sensing-based program that identifies gross polluting and other vehicles and requires the immediate repair and retest of those gross polluting vehicles at a test-only station established by this chapter.

(3) Determine if high polluting vehicles can be identified and directed to test-only stations using criteria other than, or in addition to, age and model year, and whether this reduces the number of vehicles which would otherwise be subject to inspection at test-only stations.

(4) Qualify emission reductions above and beyond those that are required by the regulations of the Environmental Protection Agency, achievable from other program enhancements pursuant to this chapter.

(5) Determine the extent to which the capacity of the test-only station network established pursuant to Section 44010.5 needs to be expanded to comply with Environmental Protection Agency performance standards.

(b) The California Environmental Protection Agency shall enter into a memorandum of agreement with the Environmental Protection Agency to establish the protocol for the pilot demonstration program. The memorandum of agreement shall ensure, to the extent possible, that the Environmental Protection Agency will accept the results of the pilot demonstration program as the findings of the Administrator of the Environmental Protection Agency. The pilot demonstration program shall be conducted pursuant to the memorandum of agreement.

(c) The review committee established pursuant to Section 44021 shall review the protocol for the pilot demonstration program, as established in the signed memorandum of agreement, and recommend any modification that the review committee finds to be appropriate for the pilot demonstration program. Any such modification shall become effective only upon the written agreement of the California Environmental Protection Agency and the Environmental Protection Agency.

(d) The department shall contract, on behalf of the committee, with an independent entity to ensure quality control in the collection of data pursuant to the pilot demonstration program. The department shall also contract, on behalf of the committee, for an independent analysis of the data produced by the pilot demonstration program.

(e) Any contract entered into pursuant to this section shall not be subject to any restrictions that are applicable to contracts in the Government Code or in the Public Contract Code.

(f) To the extent possible, the pilot demonstration program shall be conducted using equipment, facilities, and staff of the state board, the department, and the Environmental Protection Agency.

(g) The pilot demonstration program shall provide for, but not be limited to, all of the following:

(1) For the purposes of this section, any vehicle subject to the inspection and maintenance program may be selected to participate in the pilot demonstration program regardless of when last inspected pursuant to this chapter.

(2) Registered owners of vehicles selected to participate in the pilot demonstration program shall make the vehicle available for testing within a time period and at a testing facility designated by the department. If necessary, the department shall increase the capacity of the existing referee network in the area or areas where the pilot demonstration program will be operating, in order to accommodate the convenient testing of selected vehicles.

(3) If the department finds that a vehicle is emitting excessive emissions, the vehicle owner shall be required to make necessary repairs within the existing cost limits and return to a testing facility designated by the department. The vehicle owner shall have additional repairs made if the repairs are requested and funded by the department. The department shall also fund the cost of any necessary repairs if the owner of the vehicle has, within the last two years, already paid for emissions-related repairs to the

same vehicle in an amount at least equal to the existing cost limits, in order to obtain a certificate of compliance or an emission cost waiver.

(4) Vehicle owners who fail to bring the vehicle in for inspection or fail to have repairs made pursuant to this section shall be issued notices of noncompliance. The notice shall provide that, unless the vehicle is brought to a designated testing facility for testing, or repair facility for repairs, within 15 days of notice of the requirement, the owner will be required to pay an administrative fee of not more than five dollars ($5) a day, not to exceed two hundred fifty dollars ($250), to be collected by the Department of Motor Vehicles at the next annual registration renewal or the next change of ownership of the vehicle, whichever occurs first. Commencing on the 31st day after issuance of the notice of noncompliance, the fee shall accrue at the rate of five dollars ($5) per day up to the two hundred fifty dollars ($250) maximum. Except as provided in subdivision (b) of Section 9250.18 of the Vehicle Code, any revenues collected by the Department of Motor Vehicles pursuant to this subdivision and Section 9250.18 of the Vehicle Code shall be deposited into the Vehicle Inspection and Repair Fund by the Department of Motor Vehicles.

(h) The Department of Motor Vehicles, the Department of Transportation, local agencies, and the state board shall provide necessary support for the program established pursuant to this section.

(i) As soon as possible after the effective date of this section, the department and the state board shall develop, implement, and revise as needed, emissions test procedures and emissions standards necessary to conduct the pilot demonstration program.

SEC. 95. Section 44100 of the Health and Safety Code is amended to read:

44100. The Legislature hereby finds and declares as follows:

(a) Emission reduction programs based on market principles have the potential to provide equivalent or superior environmental benefits when compared to existing controls at a lower cost to the citizens of California than traditional emission control requirements.

(b) Several studies have demonstrated that a small percentage of light-duty vehicles contribute disproportionately to the on-road emissions inventory. Programs to reduce or eliminate these excess emissions can significantly contribute to the attainment of the state's air quality goals.

(c) Programs to accelerate fleet turnover can enhance the effectiveness of the state's new motor vehicle standards by bringing more low-emission vehicles into the on-road fleet earlier.

(d) The California State Implementation Plan for Ozone (SIP), adopted November 15, 1994, and submitted to the Environmental Protection Agency, calls for added reductions in reactive organic gases (ROG) and oxides of nitrogen (NO_x) from light-duty vehicles by the year 2010. One of the more market-oriented approaches reflected in the SIP, known as the M-1 strategy, calls for accelerating the retirement of older light-duty vehicles in the South Coast Air Quality Management District to achieve the following emission reductions:

Year	Emissions, TPD (tons per day) (ROG + NOx)
1999	9
2002	14
2005	20
2007	22
2010	25

(e) A program for achieving those and more emission reductions should be based on the following principles:

(1) If the program receives adequate funding, the first two years should include a thorough assessment of the costs and short-term and long-term emission reduction benefits of the program, compared with other emission reduction programs for light-duty vehicles, which shall be reflected in recommendations by the state board to the Governor and the Legislature on strategies and funding needs for meeting the emission reduction requirements of the M-1 strategy of the 1994 SIP for the years 1999 to 2010, inclusive.

(2) The program should first contribute to the achievement of the emission reductions required by the inspection and maintenance program and the M-1 strategy of the 1994 SIP, and should permit the use of mobile source emission reduction credits for other purposes currently authorized by the state board or a district. Remaining credits may be used to achieve other emission reductions, including those required by the 1994 SIP, in a manner consistent with market-based strategies. Emission credits shall not be used to offset emission standards or other requirements for new vehicles, except as authorized by the state board.

(3) Participation by the vehicle owner shall be entirely voluntary and the program design should be sensitive to the concerns of car collectors and to consumers for whom older vehicles provide affordable transportation.

(4) The program design shall provide for real, surplus, and quantifiable emission reductions, based on an evaluation of the purchased vehicles, taking into account factors that include per-mile emissions, annual miles driven, remaining useful life of retired vehicles, and emissions of the typical or average replacement vehicle, as determined by the state board. The program shall ensure that there is no double counting of emission credits among the various vehicle removal programs.

(5) The program should specify the emission reductions required and then utilize the market to ensure that these reductions are obtained at the lowest cost.

(6) The program should be privately operated. It should utilize the experience and expertise gained from past successful programs. Existing entities that are authorized by, contracted with, or otherwise sanctioned by a district and approved by the state board and the United States Environmental Protection Agency shall be fully utilized for purposes of implementing this article. Nothing in this paragraph restricts the Department of Consumer Affairs from selecting qualified contractors to operate or administer any program specified pursuant to this chapter.

(7) The program should be designed insofar as possible to eliminate any benefit to any participants from vehicle tampering and other forms of cheating. To the extent that tampering and other forms of cheating might be advantageous, the program design shall include provisions for monitoring the occurrence of tampering and other forms of cheating.

(8) Emission credits should be expressed in pounds or other units, and their value should be set by the marketplace. Any contract between a public entity and a private party for the purchase of emission credits should be based on a price per pound which reflects the market value of the credit at its time of purchase. Emission reductions required by the M-1 and other strategies of the 1994 SIP shall be accomplished by competitive bid among private businesses solicited by the oversight agency designated pursuant to Section 44105.

SEC. 96. Section 44104.5 of the Health and Safety Code is amended to read:

44104.5. (a) The regulations adopted pursuant to subdivision (a) of Section 44101 shall include a plan to guide the execution of the first two years of the program, to assess the results, and to formulate recommendations. The plan shall also verify whether the light-duty vehicle scrapping program included in the state implementation plan adopted on November 15, 1994, can reasonably be expected to yield the required emissions reductions at reasonable cost-effectiveness. Scrapping of any vehicles under this program for program development or testing or for generating emission reductions to be credited against the M-1 strategy of the 1994 SIP may proceed before the state board adopts the regulations pursuant to subdivision (a) of Section 44101 or the plan required by this subdivision. The emission credits assigned to these vehicles shall be adjusted as necessary to ensure that those credits are consistent with the credits allowed under the regulations adopted pursuant to Section 44101. The plan shall include a baseline study, for the geographical area or areas representative of those to be targeted by this program and by measure M-1 in the SIP, of the current population of vehicles by model year and market value and the current turnover rate of vehicles, and other factors that may be essential to assessing program effectiveness, cost-effectiveness, and market impacts of the program.

(b) At the end of each of the two calendar years after the adoption of the program plan, if the program receives adequate funding, the state board, in consultation with the department, shall adopt and publish a progress report evaluating each year of the program. These reports shall address the following topics for those vehicles scrapped to achieve both the M-1 SIP objectives and those vehicles scrapped or repaired to generate mobile-source emission reduction credits used for other purposes:

(1) The number of vehicles scrapped or repaired by model year.

(2) The measured emissions of the scrapped or repaired vehicles tested during the report period, using suitable inspection and maintenance test procedures.

(3) Costs of the vehicles in terms of amounts paid to sellers, the costs of repair, and the cost-effectiveness of scrappage and repair expressed in dollars per ton of emissions reduced.

(4) Administrative and testing costs for the program.

(5) Assessments of the replacement vehicles or replacement travel by model year or emission levels, as determined from interviews, questionnaires, diaries, analyses of vehicle registrations in the study region, or other methods as appropriate.

(6) Assessments of the net emission benefits of scrapping in the year reported, considering the scrapped vehicles, the replacement vehicles, the effectiveness of repair, and other effects of the program on the mix of vehicles and use of vehicles in the geographic area of the program, including in-migration of other vehicles into the area and any tendencies to increased market value of used vehicles and prolonged useful life of existing vehicles, if any.

(7) Assessments of whether the M-1 strategy of the 1994 SIP can reasonably be expected to yield the required emission reductions.

SEC. 97. Section 100500 of the Health and Safety Code is amended to read:

100500. (a) The Director of General Services may acquire real property in order to construct a laboratory and office facility or remodeling an existing facility in the City of Richmond, for the use of the State Department of Health Services.

(b) Revenue bonds, negotiable notes, and negotiable bond anticipation notes may be issued by the State Public Works Board pursuant to the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code) to finance the acquisition and construction of a new laboratory and office facility, or remodeling of an existing facility for the State Department of Health Services in the City of Richmond. The amount of the bonds plus the cost of equipment shall not exceed fifty-four million five hundred thousand dollars ($54,500,000) as necessary for land acquisition including, but not limited to, land needed for planned future expansion of the laboratory and office facility, environmental studies, preliminary plans, working drawings, construction, furnishings, equipment, and all related betterments and improvements. Notwithstanding Section 13332.11 of the Government Code, the State Public Works Board may authorize the augmentation of the amount authorized under this section for the project by an amount not to exceed 10 percent of the amount appropriated for this project.

(c) The State Public Works Board may borrow funds for project costs from the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.

(d) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the cost of acquisition, including land, construction, preliminary plans, and working drawings, construction management and supervision, other costs relating to the design, construction, or remodeling of the facilities, and any additional sums necessary to pay

interim and permanent financing costs. The additional amount may include interest and a reasonable required reserve fund.

SEC. 98. Section 102920 of the Health and Safety Code is repealed.

SEC. 99. Section 103641 of the Health and Safety Code is repealed.

SEC. 100. Section 104200 of the Health and Safety Code is amended to read:

104200. (a) Subject to subdivision (e), the department shall conduct the Cervical Cancer Community Awareness Campaign to do all of the following:

(1) To provide awareness, assistance, and information regarding cervical cancer and the human papillomavirus (HPV). These efforts shall include provider education aimed at promoting the awareness of HPV and its link to cervical cancer. Information regarding prevention, early detection, options for testing, and treatment costs shall be included.

(2) To promote the availability of preventive treatment for cervical cancer for women in California.

(3) To perform other activities related to cervical cancer.

(b) (1) For purposes of the Cervical Cancer Community Awareness Campaign, the department shall establish a study of and research regarding cervical cancer.

(2) The study and research shall contain, but not be limited to, statistical information in order to target appropriate regions of the state with the Cervical Cancer Community Awareness Campaign. The statistical information shall include, but not be limited to, age, ethnicity, region, and socioeconomic status of the women in the state in relation to cervical cancer. The research shall provide studies of current treatment evolutions, possible cures, and the availability of preventive care for women in the state in relation to cervical cancer.

(c) To the extent feasible and appropriate, the Cervical Cancer Community Awareness Campaign shall be incorporated into existing cancer awareness programs operated by the department.

(d) There is hereby established in the State Treasury the Cervical Cancer Fund to be expended by the State Department of Health Services, upon appropriation of nonstate funds by the Legislature, solely for the Cervical Cancer Community Awareness Campaign.

(e) (1) The department shall conduct the Cervical Cancer Community Awareness Campaign only if voluntary contributions are received to support its activities pursuant to this section. The continued implementation of this section shall be contingent upon the receipt of voluntary contributions for that purpose.

(2) Voluntary contributions received for purposes of this subdivision shall be deposited into the Cervical Cancer Fund.

(f) This section shall be implemented only after the Department of Finance determines that nonstate funds in an amount sufficient to fully support the activities of this section have been deposited with the state. Thereafter, this section shall continue to be implemented only to the extent that the Department of Finance determines that sufficient nonstate funds to fully support the activities of this section have been deposited with the state

for purposes of this section. If the Department of Finance determines that insufficient voluntary contributions for purposes of implementing this section have been deposited with the state by January 1, 2007, the Department of Finance shall notify either the Chief Clerk of the Assembly or the Secretary of the Senate of this fact, and this section shall be repealed on January 1, 2007, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 101. Section 109951 of the Health and Safety Code is amended to read:

109951. "Infant formula" shall have the same definition as that term is used in the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 321(z)). The department shall review all changes to the federal definition of "infant formula" before those changes are incorporated by reference pursuant to this section. Within six months after the effective date of any changes to the federal definition, the department shall complete its review of the changes, and post a report on its Internet Web site that describes the changes and makes a recommendation as to whether it is appropriate to incorporate the changes by reference pursuant to this section. Any change to the federal definition shall take effect pursuant to this section one year after the effective date of the federal change, unless a law that specifically prohibits the change from taking effect is enacted and becomes effective.

SEC. 102. Section 110552 of the Health and Safety Code is amended to read:

110552. (a) The department shall regulate candy to ensure that the candy is not adulterated.

(b) For the purposes of this chapter, "candy" means any confectionary intended for individual consumption that contains chili, tamarind, or any other ingredient identified as posing a health risk in regulations adopted by the office or department.

(c) For purposes of this section, the following terms have the following meanings:

(1) "Office" means the Office of Environmental Health Hazard Assessment.

(2) "Adulterated candy" means any candy with lead in excess of the naturally occurring level. Moreover, candy is adulterated if its wrapper or the ink on the wrapper contains lead in excess of standards which the office, in consultation with the department and the Attorney General, shall establish by July 1, 2006.

(3) "Naturally occurring level" of lead in candy shall be determined by regulations adopted by the office after consultation with the department and the Attorney General. For purposes of this section, the "naturally occurring level" of lead in candy is only naturally occurring to the extent that it is not avoidable by good agricultural, manufacturing, and procurement practices, or by other practices currently feasible. The producer and manufacturer of candy and candy ingredients shall at all times use quality control measures that reduce the natural chemical contaminants to the "lowest level currently feasible" as this term is used in subsection (c) of Section 110.110 of Title

21 of the Code of Federal Regulations. The "naturally occurring level" of lead shall not include any lead in an ingredient resulting from agricultural equipment, fuels used on or around soils or crops, fertilizers, pesticides, or other materials that are applied to soils or crops or added to water used to irrigate soils or crops. The office shall determine the naturally occurring levels of lead in candy containing chili and tamarind no later than July 1, 2006. The office shall determine the naturally occurring levels of lead in candy containing other ingredients upon request by the department or the Attorney General, and in the absence of a request, when the office determines that the presence of the ingredient in candy may pose a health risk. Until the office adopts regulations determining the naturally occurring level of lead, the Attorney General's written determination, if any, including any determination set forth in a consent judgment entered into by the Attorney General, of the naturally occurring level of lead in candy or in a candy ingredient shall be binding for purposes of this section.

(4) "Wrapper" means all packaging materials in contact with the candy, including, but not limited to, the paper cellophane, plastic container, stick handle, spoon, small pot (olla), and squeeze tube, or similar devices. "Wrapper" does not include any part of the packaging from which lead will not leach, as demonstrated by the manufacturer, to the satisfaction of the office.

(d) The standards adopted pursuant to paragraphs (2) and (3) of subdivision (c) shall be reviewed by the office every three-year to five-year period in order to determine whether advances in scientific knowledge, the development of better agricultural or manufacturing practices, or changes in detection limits require revision of the standards.

(e) The department shall do all of the following:

(1) Ensure that the candy is not adulterated.

(2) Establish procedures for the testing of candy and the certification of unadulterated candy products. The procedures shall require candy manufacturers to certify candy as being unadulterated. The certification shall be based on appropriate sampling and testing protocols as determined by the office in consultation with the Attorney General's office.

(3) Through its Food and Drug Branch, test the samples of candy collected pursuant to this article. The department may test any candy, including candy tested pursuant to paragraph (2) in order to ensure the candy is unadulterated.

(4) Adopt regulations necessary for the enforcement of this article.

(5) Evaluate the regulatory process, identify problems, and make changes or report to the Legislature, as necessary.

(f) If the candy tested pursuant to paragraph (2) or (3) of subdivision (e) is found to be adulterated, the department shall do both of the following:

(1) Issue health advisory notices to county health departments alerting them to the danger posed by consumption of the candy.

(2) Notify the manufacturer and the distributor of the candy that the candy is adulterated, and that the candy may not be sold or distributed in the state until further testing proves that the candy is unadulterated.

(g) (1) For any candy found to be adulterated, the manufacturer or distributor may request that the department test a subsequent sample of candy. The department shall select the candy to be tested. The cost of any subsequent sampling and testing shall be borne by the manufacturer or distributor requesting the additional testing.

(2) If the candy is found to be unadulterated when it is retested, the department shall provide the manufacturer or distributor and the county health department with a letter stating that the candy has been retested and determined to be unadulterated, and that the sale and distribution of the candy in the state may resume.

(3) If the candy is found to remain adulterated when retested, the manufacturer or distributor may take corrective measures and continue to resubmit samples for testing until tests prove the candy unadulterated.

(h) (1) The sale of adulterated candy to California consumers is a violation of this section. Any person knowingly and intentionally selling adulterated candy shall be subject to a civil penalty of up to five hundred dollars ($500) per violation. The regulations adopted shall provide that funding for this section shall be met in part or in whole by those penalties, upon appropriation by the Legislature.

(2) In the event that a candy product is found to be adulterated, the department may recover the costs incurred in the chemical analysis of that product from the manufacturer or distributor.

(3) Except as expressly set forth in this section, nothing in this section shall alter or diminish any legal obligation otherwise required in common law or by statute or regulation, and nothing in this section shall create or enlarge any defense in any action to enforce that legal obligation. Penalties imposed under this section shall be in addition to any penalties otherwise prescribed by law.

(4) This section shall not be the basis for any stay of proceedings or other order limiting or delaying the prosecution of any action to enforce Section 25249.6.

SEC. 103. Section 111198 of the Health and Safety Code is amended to read:

111198. The department shall post annually on its Internet Web site, in connection to the entities it regulates under this article, all of the following information:

(a) The total number of licenses, by type and county, issued in the prior calendar year.

(b) The number of inspections performed by the department in the previous calendar year, broken down by county and license type.

(c) The number and type of major violations, and the actions taken to correct those violations.

(d) The number and dollar value of fines levied under subdivision (c).

SEC. 104. Section 120476 of the Health and Safety Code is repealed.

SEC. 105. Section 120910 of the Health and Safety Code is amended to read:

120910. (a) The department shall collect data from the early intervention projects, assess the effectiveness of the different models of early intervention projects.

(b) The department shall continuously collect data from each early intervention project. The data collected may include, but not be limited to, the following:

(1) The total number of clients served.

(2) The number of clients utilizing each service provided by the project.

(3) Demographics on clients in the aggregate.

(4) The source of funding for each type of service provided.

(5) The cost of each type of service provided.

(6) Medical treatment modalities utilized in the aggregate.

(7) Changes in the clinical status of clients in the aggregate.

(8) Changes in behaviors that present risks of transmitting HIV infection of the clients in the aggregate.

(9) The psychosocial changes of clients in the aggregate.

(10) Referrals made by the project.

(11) Perceived unmet needs of the clients served by the project.

(c) The department shall develop and distribute to each early intervention project forms for data collection that are designed to elicit information necessary for the department to comply with the requirements of subdivision (b). The data may be used by the department to comply with the requirements of subdivision (a).

SEC. 106. Section 120955 of the Health and Safety Code is amended to read:

120955. (a) (1) To the extent that state and federal funds are appropriated in the annual Budget Act for these purposes, the director shall establish and may administer a program to provide drug treatments to persons infected with human immunodeficiency virus (HIV), the etiologic agent of acquired immunodeficiency syndrome (AIDS). If the director makes a formal determination that, in any fiscal year, funds appropriated for the program will be insufficient to provide all of those drug treatments to existing eligible persons for the fiscal year and that a suspension of the implementation of the program is necessary, the director may suspend eligibility determinations and enrollment in the program for the period of time necessary to meet the needs of existing eligible persons in the program.

(2) The director, in consultation with the AIDS Drug Assistance Program Medical Advisory Committee, shall develop, maintain, and update as necessary a list of drugs to be provided under this program. The list shall be exempt from the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and shall not be subject to the review and approval of the Office of Administrative Law.

(b) The director may grant funds to a county public health department through standard agreements to administer this program in that county. To maximize the recipients' access to drugs covered by this program, the

director shall urge the county health department in counties granted these funds to decentralize distribution of the drugs to the recipients.

(c) The director shall establish a rate structure for reimbursement for the cost of each drug included in the program. Rates shall not be less than the actual cost of the drug. However, the director may purchase a listed drug directly from the manufacturer and negotiate the most favorable bulk price for that drug.

(d) Manufacturers of the drugs on the list shall pay the department a rebate equal to the rebate that would be applicable to the drug under Section 1927(c) of the federal Social Security Act (42 U.S.C. Sec. 1396r-8(c)) plus an additional rebate to be negotiated by each manufacturer with the department, except that no rebates shall be paid to the department under this section on drugs for which the department has received a rebate under Section 1927(c) of the federal Social Security Act (42 U.S.C. Sec. 1396r-8(c)) or that have been purchased on behalf of county health departments or other eligible entities at discount prices made available under Section 256b of Title 42 of the United States Code.

(e) The department shall submit an invoice, not less than two times per year, to each manufacturer for the amount of the rebate required by subdivision (d).

(f) Drugs may be removed from the list for failure to pay the rebate required by subdivision (d), unless the department determines that removal of the drug from the list would cause substantial medical hardship to beneficiaries.

(g) The department may adopt emergency regulations to implement amendments to this chapter made during the 1997–98 Regular Session, in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The initial adoption of emergency regulations shall be deemed to be an emergency and considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, or general welfare. Emergency regulations adopted pursuant to this section shall remain in effect for no more than 180 days.

(h) Reimbursement under this chapter shall not be made for any drugs that are available to the recipient under any other private, state, or federal programs, or under any other contractual or legal entitlements, except that the director may authorize an exemption from this subdivision where exemption would represent a cost savings to the state.

(i) The department may also subsidize certain cost-sharing requirements for persons otherwise eligible for the AIDS Drug Assistance Program (ADAP) with existing non-ADAP drug coverage by paying for prescription drugs included on the ADAP formulary within the existing ADAP operational structure up to, but not exceeding, the amount of that cost-sharing obligation. This cost sharing may only be applied in circumstances in which the other payer recognizes the ADAP payment as counting toward the individual’s cost-sharing obligation.

SEC. 107. Section 121285 of the Health and Safety Code is amended to read:

121285. (a) The Disease Prevention Demonstration Project, a collaboration between pharmacies and local and state health officials, is hereby authorized for the purpose of evaluating the long-term desirability of allowing licensed pharmacists to furnish or sell nonprescription hypodermic needles or syringes to prevent the spread of blood-borne pathogens, including HIV and hepatitis C.

(b) The State Department of Health Services shall evaluate the effects of allowing pharmacists to furnish or sell a limited number of hypodermic needles or syringes without prescription. The State Department of Health Services is encouraged to seek funding from private and federal sources to pay for the evaluation.

(c) The State Department of Health Services shall convene an uncompensated evaluation advisory panel comprised of all of the following: two or more specialists in the control of infectious diseases; one or more representatives of the California State Board of Pharmacy; one or more representatives of independent pharmacies; one or more representatives of chain pharmacy owners; one or more representatives of law enforcement executives, such as police chiefs and sheriffs; one or more representatives of rank and file law enforcement officers; a specialist in hazardous waste management from the State Department of Health Services; one or more representatives of the waste management industry; and one or more representatives of local health officers.

(d) In order to furnish or sell nonprescription hypodermic needles or syringes as part of the Disease Prevention Demonstration Project in a county or city that has provided authorization pursuant to Section 4145 of the Business and Professions Code, a pharmacy shall do all of the following:

(1) Register with the local health department by providing a contact name and related information, and certify that it will provide, at the time of furnishing or sale of hypodermic needles or syringes, written information or verbal counseling on all of the following:

(A) How to access drug treatment.

(B) How to access testing and treatment for HIV and hepatitis C.

(C) How to safely dispose of sharps waste.

(2) Store hypodermic needles and syringes so that they are available only to authorized personnel, and not openly available to customers.

(3) In order to provide for the safe disposal of hypodermic needles and syringes, a registered pharmacy shall provide one or more of the following options:

(A) An onsite safe hypodermic needle and syringe collection and disposal program.

(B) Furnish or make available for purchase mail-back sharps disposal containers authorized by the United States Postal Service that meet applicable state and federal requirements, and provide tracking forms to verify destruction at a certified disposal facility.

(C) Furnish or make available for purchase personal sharps disposal containers that meet state and federal standards for disposal of medical waste.

(e) Local health departments shall be responsible for all of the following:

(1) Maintaining a list of all pharmacies within the local health department's jurisdiction that have registered under the Disease Prevention Demonstration Project.

(2) Making available to pharmacies written information that may be provided or reproduced to be provided in writing or orally by the pharmacy at the time of furnishing or the sale of nonprescription hypodermic needles or syringes, including all of the following:

(A) How to access drug treatment.

(B) How to access testing and treatment for HIV and hepatitis C.

(C) How to safely dispose of sharps waste.

(f) As used in this chapter, "sharps waste" means hypodermic needles, syringes, and lancets.

SEC. 108. Section 121340 of the Health and Safety Code is amended to read:

121340. (a) The State Department of Health Services, in consultation with the California Conference of Local Health Officers, the California Medical Association, HIV treatment providers, and public health and other stakeholders, shall determine, no later than December 31, 2005, whether California's HIV reporting system has achieved compliance with standards and criteria necessary to ensure continued federal funding for California under the federal Ryan White Comprehensive AIDS Resources Emergency (CARE) Act of 1990 (Public Law 101-381), as amended October 20, 2000 (Public Law 106-345).

(b) The department shall inform the appropriate committees of the Legislature of its findings under subdivision (a) by December 31, 2005.

SEC. 109. Section 123516 of the Health and Safety Code is amended to read:

123516. (a) The department, in consultation with the program administrators, may contract with one or more qualified organizations to assist the department in ensuring that grantees implement the program as established under Section 123491 and to conduct an annual evaluation of the implementation of the grant program on a statewide basis. The first evaluation shall be due 12 months after the award of grants pursuant to Section 123492.

(b) (1) In conducting its monitoring and evaluation activities, the department shall be guided by program performance standards developed by the department in consultation with the Nurse-Family Partnership program.

(2) The annual evaluation shall contain, but not be limited to, the extent to which each grantee participating in the program has done each of the following:

(A) Recruited a population of low-income, first-time mothers.

(B) Enrolled families early in pregnancy and followed them through the second birthday of the child.

(C) Conducted visits that are of comparable frequency, duration, and content as those delivered in the randomized clinical trials of the program.

(D) Assessed the health and well-being of the mothers and children enrolled in the program according to common indicators of maternal, child, and family health.

SEC. 110. Section 124174.5 of the Health and Safety Code is amended to read:

124174.5. The program, in collaboration with the State Department of Education, shall act as a liaison for school-based health centers.

SEC. 111. Section 124590 of the Health and Safety Code is amended to read:

124590. The Legislature finds and declares that the health status of many American Indians in California is not adequate.

It is, therefore, the intent of the Legislature to insure that in addition to funding provided pursuant to the American Indian Health Service program, sufficient funding is provided to American Indians from other programs in order to substantially improve their access to health services. These programs include, but are not limited to, the following:

(a) Rural health services.

(b) Mental health services.

(c) Developmental disability programs.

(d) Maternal and child health programs.

(e) Alcoholism programs.

(f) Programs for the aging.

(g) Environmental health programs.

SEC. 112. Section 124925 of the Health and Safety Code is repealed.

SEC. 113. Section 128557.5 of the Health and Safety Code is repealed.

SEC. 114. Section 128600 of the Health and Safety Code is amended to read:

128600. The Legislature finds and declares that the oversight and reporting requirements of the demonstration project established in this section are equal to, or exceed similar licensing standards for other health facilities.

(a) The Office of Statewide Health Planning and Development shall conduct a demonstration project to evaluate the accommodation of postsurgical care patients for periods not exceeding two days, except that the attending physician and surgeon may require that the stay be extended to no more than three days.

(b) (1) The demonstration project shall operate for a period not to exceed six years, for no more than 12 project sites, one of which shall be located in Fresno County. However, the demonstration project shall be extended an additional six years, to September 30, 2000, only for those project sites that were approved by the Office of Statewide Health Planning and Development and operational prior to January 1, 1994.

(2) Any of the 12 project sites may be distinct parts of health facilities, or any of those sites may be physically freestanding from health facilities. None of the project sites that are designated as distinct parts of health facilities, shall be located in the service area of any one of the six freestanding project sites. None of the project sites that are designated as distinct parts of health facilities shall have a service area that overlaps with any one or more service areas of the freestanding pilot sites. For the purposes of this section, service area shall be defined by the office.

(c) (1) The office shall establish standards for participation, commensurate with the needs of postsurgical care patients requiring temporary nursing services following outpatient surgical procedures.

(2) In preparing the standards for participation, the office may, as appropriate, consult with the State Department of Health Services and a technical advisory committee that may be appointed by the Director of the Office of Statewide Health Planning and Development. The committee shall have no more than eight members, all of whom shall be experts in health care, as determined by the director of the office. One of the members of the committee shall, as determined by the director of the office, have specific expertise in the area of pediatric surgery and recovery care.

(3) If a technical advisory committee is established by the director of the office, members of the committee shall be reimbursed for any actual and necessary expenses incurred in connection with their duties as members of the committee.

(d) The office shall establish and administer the demonstration project in facilities with no more than 20 beds that continuously meet the standards of skilled nursing facilities licensed under subdivision (c) of Section 1250, except that the office may, as appropriate and unless a danger to patients would be created, eliminate or modify the standards. This section shall not prohibit general acute care hospitals from participating in the demonstration project. The office may waive those building standards applicable to a project site that is a distinct part of a health facility that are inappropriate, as determined by the office, to the demonstration project. Notwithstanding health facility licensing regulations contained in Division 5 (commencing with Section 70001) of Title 22 of the California Code of Regulations, a project site that is a distinct part of a health facility shall comply with all standards for participation established by the office and with all regulations adopted by the office to implement this section. A project site that is a distinct part of a health facility shall not, for the duration of the pilot project, be subject to Division 5 (commencing with Section 70001) of Title 22 of the California Code of Regulations which conflict, as determined by the office, with the demonstration project standards or regulations.

(e) The office shall issue a facility identification number to each facility selected for participation in the demonstration project.

(f) Persons who wish to establish recovery care programs shall make application to the office for inclusion in the pilot program. Applications shall be made on forms provided by the office and shall contain sufficient information determined as necessary by the office.

(g) As a condition of participation in the pilot program, each applicant shall agree to provide statistical data and patient information that the office deems necessary for effective evaluation. It is the intent of the Legislature that the office shall develop procedures to assure the confidentiality of patient information and shall only disclose patient information, including name identification, as is necessary pursuant to this section or any other law.

(h) Any authorized officer, employee, or agent of the office may, upon presentation of proper identification, enter and inspect any building or premises and any records, including patient records, of a pilot project participant at any reasonable time to review compliance with, or to prevent any violation of, this section or the regulations and standards adopted thereunder.

(i) The office may suspend or withdraw approval of any or all pilot projects with notice, but without hearing if it determines that patient safety is being jeopardized.

(j) The office may charge applicants and participants in the program a reasonable fee to cover its actual cost of administering the pilot program and the cost of any committee established by this section. The facilities participating in the pilot project shall pay fees that equal the amount of any increase in fiscal costs incurred by the state as a result of the extension of the pilot project until September 30, 2000, pursuant to subdivision (b).

(k) The office may contract with a medical consultant or other advisers as necessary, as determined by the office. Due to the necessity to expedite the demonstration project and its extremely specialized nature, the contracts shall be exempt from Section 10373 of the Public Contract Code, and shall be considered sole-source contracts.

(*l*) The office may adopt emergency regulations to implement this section in accordance with Section 11346.1 of the Government Code, except that the regulations shall be exempt from the requirements of subdivisions (e), (f), and (g) of that section. The regulations shall be deemed an emergency for the purposes of Section 11346.1.

Applications to establish any of the four project sites authorized by the amendments made to this section during the 1987–88 Regular Session of the California Legislature shall be considered by the office from among the applications submitted to it in response to its initial request for proposal process.

(m) Any administrative opinion, decision, waiver, permit, or finding issued by the office prior to July 1, 1990, with respect to any of the demonstration projects approved by the office prior to July 1, 1990, shall automatically be extended by the office to remain fully effective as long as the demonstration projects are required to operate pursuant to this section.

(n) The office shall not grant approval to a postsurgical recovery care facility, as defined in Section 97500.111 of Title 22 of the California Code of Regulations, that is freestanding, as defined in Section 97500.49 of Title 22 of the California Code of Regulations, to begin operation as a participating demonstration project if it is located in the County of Solano.

(o) Participants in the demonstration program for postsurgical recovery facilities shall not be precluded from receiving reimbursement from, or conducting good faith negotiations with, a third-party payer solely on the basis that the participant is engaged in a demonstration program and accordingly is not licensed.

SEC. 115. Section 130252 of the Health and Safety Code is amended to read:

130252. (a) Subject to available funding, the California Health and Human Services Agency shall be responsible for ensuring that all federal grant deliverables are met. The agency shall coordinate electronic health activities in the state and work with stakeholders, state departments, and the Legislature to support policy needs for health information technology and health information exchange in California.

(b) In the event that a state governance entity is established, all of the following conditions shall be met:

(1) The agency shall be responsible for ensuring that all deliverables established in the strategic and operational plans established pursuant to subdivision (e) of Section 130251, and as required by the federal grant, are met.

(2) Any grant issued by the agency to the state governance entity for health information exchange shall be deliverables based. All deliverables shall be subject to approval and acceptance by the agency.

(c) The agency, state-designated entity, or the state governance entity shall establish and begin providing health information exchange services by January 1, 2012.

(d) The state-designated entity or state governance entity shall ensure that an effective model for health information exchange governance and accountability is in place. In order to avoid any real or apparent conflict of interest, the state-designated entity or state governance entity shall ensure organizational and functional separation exists between the governance functions of the entity and its operational functions, specifically between operating entities that are or may be involved in building and maintaining the health information exchange. The agency shall conduct periodic internal reviews at least once after an entity has received the designation, and periodically as necessary, to ensure this separation is maintained, and that the state-designated entity or state governance entity operates in a manner that ensures organizational integrity and accountability.

(e) The state-designated entity or state governance entity shall provide a process for public comment and input, which may include integrating public workgroups convened by the agency during the operational planning process into its organizational structure.

(f) The state-designated entity or state governance entity, in consultation with the Office of Health Information Integrity, shall develop detailed standards and policies to be included in all contracts with health care entities that are participants of the state-designated entity's or governance entity's health information exchange for health information exchange services provided by the applicable entity. The state-designated entity or state

governance entity shall also work with the Office of Health Information Integrity to ensure standardization of privacy and security policies for health information exchange statewide. The state-designated entity or state governance entity shall develop operational policies based on privacy and security guidelines developed by the state, and create a uniform set of privacy and security rules to be used by other entities participating in health information exchanges established by the state-designated entity or state governance entity for health information exchange or a contract made by the applicable entity for health information exchange.

(g) Any contract for state designation or subgrant agreement pursuant to this section shall be made through an open and competitive process as required by federal law.

(h) The state designated entity or state governance entity shall comply with applicable provisions of the federal Health Information Technology for Economic and Clinical Health Act (HITECH Act; Public Law 111-5), the federal Public Health Service Act (42 U.S.C. Sec. 300x-26), and applicable federal policies, guidance, and requirements. These provisions shall include, but are not limited to, the requirement that funds be used to conduct activities to facilitate and expand the electronic movement and use of health information among organizations according to nationally recognized standards in effect on December 31, 2010.

SEC. 116. Section 1872.1 of the Insurance Code is repealed.

SEC. 117. Section 111 of the Labor Code is amended to read:

111. The Workers' Compensation Appeals Board, consisting of seven members, shall exercise all judicial powers vested in it under this code. In all other respects, the Division of Workers' Compensation is under the control of the administrative director and, except as to those duties, powers, jurisdiction, responsibilities, and purposes as are specifically vested in the appeals board, the administrative director shall exercise the powers of the head of a department within the meaning of Article 1 (commencing with Section 11150) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code with respect to the Division of Workers' Compensation which shall include supervision of, and responsibility for, personnel, and the coordination of the work of the division, except personnel of the appeals board.

SEC. 118. Section 3201.5 of the Labor Code is amended to read:

3201.5. (a) Except as provided in subdivisions (b) and (c), the Department of Industrial Relations and the courts of this state shall recognize as valid and binding any provision in a collective bargaining agreement between a private employer or groups of employers engaged in construction, construction maintenance, or activities limited to rock, sand, gravel, cement and asphalt operations, heavy-duty mechanics, surveying, and construction inspection and a union that is the recognized or certified exclusive bargaining representative that establishes any of the following:

(1) An alternative dispute resolution system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes contained in this division,

including, but not limited to, mediation and arbitration. Any system of arbitration shall provide that the decision of the arbiter or board of arbitration is subject to review by the appeals board in the same manner as provided for reconsideration of a final order, decision, or award made and filed by a workers' compensation administrative law judge pursuant to the procedures set forth in Article 1 (commencing with Section 5900) of Chapter 7 of Part 4 of Division 4, and the court of appeals pursuant to the procedures set forth in Article 2 (commencing with Section 5950) of Chapter 7 of Part 4 of Division 4, governing orders, decisions, or awards of the appeals board. The findings of fact, award, order, or decision of the arbitrator shall have the same force and effect as an award, order, or decision of a workers' compensation administrative law judge. Any provision for arbitration established pursuant to this section shall not be subject to Sections 5270, 5270.5, 5271, 5272, 5273, 5275, and 5277.

(2) The use of an agreed list of providers of medical treatment that may be the exclusive source of all medical treatment provided under this division.

(3) The use of an agreed, limited list of qualified medical evaluators and agreed medical evaluators that may be the exclusive source of qualified medical evaluators and agreed medical evaluators under this division.

(4) Joint labor management safety committees.

(5) A light-duty, modified job or return-to-work program.

(6) A vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this division.

(b) (1) Nothing in this section shall allow a collective bargaining agreement that diminishes the entitlement of an employee to compensation payments for total or partial disability, temporary disability, vocational rehabilitation, or medical treatment fully paid by the employer as otherwise provided in this division. The portion of any agreement that violates this paragraph shall be declared null and void.

(2) The parties may negotiate any aspect of the delivery of medical benefits and the delivery of disability compensation to employees of the employer or group of employers that are eligible for group health benefits and nonoccupational disability benefits through their employer.

(c) Subdivision (a) shall apply only to the following:

(1) An employer developing or projecting an annual workers' compensation insurance premium, in California, of two hundred fifty thousand dollars ($250,000) or more, or any employer that paid an annual workers' compensation insurance premium, in California, of two hundred fifty thousand dollars ($250,000) in at least one of the previous three years.

(2) Groups of employers engaged in a workers' compensation safety group complying with Sections 11656.6 and 11656.7 of the Insurance Code, and established pursuant to a joint labor management safety committee or committees, that develops or projects annual workers' compensation insurance premiums of two million dollars ($2,000,000) or more.

(3) Employers or groups of employers that are self-insured in compliance with Section 3700 that would have projected annual workers' compensation

costs that meet the requirements of, and that meet the other requirements of, paragraph (1) in the case of employers, or paragraph (2) in the case of groups of employers.

(4) Employers covered by an owner or general contractor provided wrap-up insurance policy applicable to a single construction site that develops workers' compensation insurance premiums of two million dollars ($2,000,000) or more with respect to those employees covered by that wrap-up insurance policy.

(d) Employers and labor representatives who meet the eligibility requirements of this section shall be issued a letter by the administrative director advising each employer and labor representative that, based upon the review of all documents and materials submitted as required by the administrative director, each has met the eligibility requirements of this section.

(e) The premium rate for a policy of insurance issued pursuant to this section shall not be subject to the requirements of Section 11732 or 11732.5 of the Insurance Code.

(f) No employer may establish or continue a program established under this section until it has provided the administrative director with all of the following:

(1) Upon its original application and whenever it is renegotiated thereafter, a copy of the collective bargaining agreement and the approximate number of employees who will be covered thereby.

(2) Upon its original application and annually thereafter, a valid and active license where that license is required by law as a condition of doing business in the state within the industries set forth in subdivision (a) of Section 3201.5.

(3) Upon its original application and annually thereafter, a statement signed under penalty of perjury, that no action has been taken by any administrative agency or court of the United States to invalidate the collective bargaining agreement.

(4) The name, address, and telephone number of the contact person of the employer.

(5) Any other information that the administrative director deems necessary to further the purposes of this section.

(g) No collective bargaining representative may establish or continue to participate in a program established under this section unless all of the following requirements are met:

(1) Upon its original application and annually thereafter, it has provided to the administrative director a copy of its most recent LM-2 or LM-3 filing with the United States Department of Labor, along with a statement, signed under penalty of perjury, that the document is a true and correct copy.

(2) It has provided to the administrative director the name, address, and telephone number of the contact person or persons of the collective bargaining representative or representatives.

(h) Commencing July 1, 1995, and annually thereafter, the Division of Workers' Compensation shall report to the Director of the Department of

Industrial Relations the number of collective bargaining agreements received and the number of employees covered by these agreements.

(i) The data obtained by the administrative director pursuant to this section shall be confidential and not subject to public disclosure under any law of this state. However, the Division of Workers' Compensation shall create derivative works pursuant to subdivision (h) based on the collective bargaining agreements and data. Those derivative works shall not be confidential, but shall be public. On a monthly basis the administrative director shall make available an updated list of employers and unions entering into collective bargaining agreements containing provisions authorized by this section.

SEC. 119. Section 3201.7 of the Labor Code is amended to read:

3201.7. (a) Except as provided in subdivision (b), the Department of Industrial Relations and the courts of this state shall recognize as valid and binding any labor-management agreement that meets all of the following requirements:

(1) The labor-management agreement has been negotiated separate and apart from any collective bargaining agreement covering affected employees.

(2) The labor-management agreement is restricted to the establishment of the terms and conditions necessary to implement this section.

(3) The labor-management agreement has been negotiated in accordance with the authorization of the administrative director pursuant to subdivision (d), between an employer or groups of employers and a union that is the recognized or certified exclusive bargaining representative that establishes any of the following:

(A) An alternative dispute resolution system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes contained in this division, including, but not limited to, mediation and arbitration. Any system of arbitration shall provide that the decision of the arbiter or board of arbitration is subject to review by the appeals board in the same manner as provided for reconsideration of a final order, decision, or award made and filed by a workers' compensation administrative law judge pursuant to the procedures set forth in Article 1 (commencing with Section 5900) of Chapter 7 of Part 4 of Division 4, and the court of appeals pursuant to the procedures set forth in Article 2 (commencing with Section 5950) of Chapter 7 of Part 4 of Division 4, governing orders, decisions, or awards of the appeals board. The findings of fact, award, order, or decision of the arbitrator shall have the same force and effect as an award, order, or decision of a workers' compensation administrative law judge. Any provision for arbitration established pursuant to this section shall not be subject to Sections 5270, 5270.5, 5271, 5272, 5273, 5275, and 5277.

(B) The use of an agreed list of providers of medical treatment that may be the exclusive source of all medical treatment provided under this division.

(C) The use of an agreed, limited list of qualified medical evaluators and agreed medical evaluators that may be the exclusive source of qualified medical evaluators and agreed medical evaluators under this division.

(D) Joint labor management safety committees.

(E) A light-duty, modified job, or return-to-work program.

(F) A vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this division.

(b) (1) Nothing in this section shall allow a labor-management agreement that diminishes the entitlement of an employee to compensation payments for total or partial disability, temporary disability, vocational rehabilitation, or medical treatment fully paid by the employer as otherwise provided in this division; nor shall any agreement authorized by this section deny to any employee the right to representation by counsel at all stages during the alternative dispute resolution process. The portion of any agreement that violates this paragraph shall be declared null and void.

(2) The parties may negotiate any aspect of the delivery of medical benefits and the delivery of disability compensation to employees of the employer or group of employers that are eligible for group health benefits and nonoccupational disability benefits through their employer.

(c) Subdivision (a) shall apply only to the following:

(1) An employer developing or projecting an annual workers' compensation insurance premium, in California, of fifty thousand dollars ($50,000) or more, and employing at least 50 employees, or any employer that paid an annual workers' compensation insurance premium, in California, of fifty thousand dollars ($50,000), and employing at least 50 employees in at least one of the previous three years.

(2) Groups of employers engaged in a workers' compensation safety group complying with Sections 11656.6 and 11656.7 of the Insurance Code, and established pursuant to a joint labor management safety committee or committees, that develops or projects annual workers' compensation insurance premiums of five hundred thousand dollars ($500,000) or more.

(3) Employers or groups of employers, including cities and counties, that are self-insured in compliance with Section 3700 that would have projected annual workers' compensation costs that meet the requirements of, and that meet the other requirements of, paragraph (1) in the case of employers, or paragraph (2) in the case of groups of employers.

(d) Any recognized or certified exclusive bargaining representative in an industry not covered by Section 3201.5, may file a petition with the administrative director seeking permission to negotiate with an employer or group of employers to enter into a labor-management agreement pursuant to this section. The petition shall specify the bargaining unit or units to be included, the names of the employers or groups of employers, and shall be accompanied by proof of the labor union's status as the exclusive bargaining representative. The current collective bargaining agreement or agreements shall be attached to the petition. The petition shall be in the form designated by the administrative director. Upon receipt of the petition, the administrative director shall promptly verify the petitioner's status as the exclusive bargaining representative. If the petition satisfies the requirements set forth in this subdivision, the administrative director shall issue a letter advising

each employer and labor representative of their eligibility to enter into negotiations, for a period not to exceed one year, for the purpose of reaching agreement on a labor-management agreement pursuant to this section. The parties may jointly request, and shall be granted, by the administrative director, an additional one-year period to negotiate an agreement.

(e) No employer may establish or continue a program established under this section until it has provided the administrative director with all of the following:

(1) Upon its original application and whenever it is renegotiated thereafter, a copy of the labor-management agreement and the approximate number of employees who will be covered thereby.

(2) Upon its original application and annually thereafter, a statement signed under penalty of perjury, that no action has been taken by any administrative agency or court of the United States to invalidate the labor-management agreement.

(3) The name, address, and telephone number of the contact person of the employer.

(4) Any other information that the administrative director deems necessary to further the purposes of this section.

(f) No collective bargaining representative may establish or continue to participate in a program established under this section unless all of the following requirements are met:

(1) Upon its original application and annually thereafter, it has provided to the administrative director a copy of its most recent LM-2 or LM-3 filing with the United States Department of Labor, where such filing is required by law, along with a statement, signed under penalty of perjury, that the document is a true and correct copy.

(2) It has provided to the administrative director the name, address, and telephone number of the contact person or persons of the collective bargaining representative or representatives.

(g) Commencing July 1, 2005, and annually thereafter, the Division of Workers' Compensation shall report to the Director of Industrial Relations the number of labor-management agreements received and the number of employees covered by these agreements.

(h) The data obtained by the administrative director pursuant to this section shall be confidential and not subject to public disclosure under any law of this state. However, the Division of Workers' Compensation shall create derivative works pursuant to subdivisions (f) and (g) based on the labor-management agreements and data. Those derivative works shall not be confidential, but shall be public. On a monthly basis, the administrative director shall make available an updated list of employers and unions entering into labor-management agreements authorized by this section.

SEC. 120. Section 3716.1 of the Labor Code is amended to read:

3716.1. (a) In any hearing, investigation, or proceeding, the Attorney General, or attorneys of the Department of Industrial Relations, shall represent the director and the state. Expenses incident to representation of the director and the state, before the appeals board and in civil court, by the

Attorney General or Department of Industrial Relations attorneys, shall be reimbursed from the Workers' Compensation Administration Revolving Fund. Expenses incident to representation by the Attorney General or attorneys of the Department of Industrial Relations incurred in attempts to recover moneys pursuant to Section 3717 of the Labor Code shall not exceed the total amounts recovered by the director on behalf of the Uninsured Employers Benefits Trust Fund pursuant to this chapter.

(b) The director shall assign investigative and claims' adjustment services respecting matters concerning uninsured employers injury cases. The director or his or her representative may make these service assignments within the department, or he or she may contract for these services with the State Compensation Insurance Fund, except insofar as these matters might conflict with the interests of the State Compensation Insurance Fund. The administrative costs associated with these services shall be reimbursed from the Workers' Compensation Administration Revolving Fund and the nonadministrative costs from the Uninsured Employers Benefits Trust Fund, except when a budget impasse requires advances as described in subdivision (c) of Section 62.5. To the extent permitted by state law, the director may contract for audits or reports of services under this section.

SEC. 121. Section 4755 of the Labor Code is amended to read:

4755. (a) The State Compensation Insurance Fund may draw from the State Treasury out of the Subsequent Injuries Benefits Trust Fund for the purposes specified in Section 4751, without at the time presenting vouchers and itemized statements, a sum not to exceed in the aggregate fifty thousand dollars ($50,000), to be used as a cash revolving fund. The revolving fund shall be deposited in any banks and under any conditions as the Department of Finance determines. The Controller shall draw his or her warrants in favor of the State Compensation Insurance Fund for the amounts so withdrawn and the Treasurer shall pay these warrants.

(b) Expenditures made from the revolving fund in payments on claims for any additional compensation and for adjusting services are exempted from the operation of Section 16003 of the Government Code. Reimbursement of the revolving fund for these expenditures shall be made upon presentation to the Controller of an abstract or statement of the expenditures. The abstract or statement shall be in any form as the Controller requires.

(c) The director shall assign claims adjustment services and legal representation services respecting matters concerning subsequent injuries. The director or his or her representative may make these service assignments within the department, or he or she may contract for these services with the State Compensation Insurance Fund, for a fee in addition to that authorized by Section 4754, except insofar as these matters might conflict with the interests of the State Compensation Insurance Fund. The administrative costs associated with these services shall be reimbursed from the Workers' Compensation Administration Revolving Fund, except when a budget impasse requires advances as provided in subdivision (d) of Section 62.5.

To the extent permitted by state law, the director may contract for audits or reports of services under this section.

SEC. 122. Section 5502 of the Labor Code is amended to read:

5502. (a) Except as provided in subdivision (b), the hearing shall be held not less than 10 days, and not more than 60 days, after the date a declaration of readiness to proceed, on a form prescribed by the appeals board, is filed. If a claim form has been filed for an injury occurring on or after January 1, 1990, and before January 1, 1994, an application for adjudication shall accompany the declaration of readiness to proceed.

(b) The administrative director shall establish a priority calendar for issues requiring an expedited hearing and decision. A hearing shall be held and a determination as to the rights of the parties shall be made and filed within 30 days after the declaration of readiness to proceed is filed if the issues in dispute are any of the following:

(1) The employee's entitlement to medical treatment pursuant to Section 4600.

(2) The employee's entitlement to, or the amount of, temporary disability indemnity payments.

(3) The employee's entitlement to compensation from one or more responsible employers when two or more employers dispute liability as among themselves.

(4) Any other issues requiring an expedited hearing and determination as prescribed in rules and regulations of the administrative director.

(c) The administrative director shall establish a priority conference calendar for cases in which the employee is represented by an attorney and the issues in dispute are employment or injury arising out of employment or in the course of employment. The conference shall be conducted by a workers' compensation administrative law judge within 30 days after the declaration of readiness to proceed. If the dispute cannot be resolved at the conference, a trial shall be set as expeditiously as possible, unless good cause is shown why discovery is not complete, in which case status conferences shall be held at regular intervals. The case shall be set for trial when discovery is complete, or when the workers' compensation administrative law judge determines that the parties have had sufficient time in which to complete reasonable discovery. A determination as to the rights of the parties shall be made and filed within 30 days after the trial.

(d) (1) In all cases, a mandatory settlement conference shall be conducted not less than 10 days, and not more than 30 days, after the filing of a declaration of readiness to proceed. If the dispute is not resolved, the regular hearing shall be held within 75 days after the declaration of readiness to proceed is filed.

(2) The settlement conference shall be conducted by a workers' compensation administrative law judge or by a referee who is eligible to be a workers' compensation administrative law judge or eligible to be an arbitrator under Section 5270.5. At the mandatory settlement conference, the referee or workers' compensation administrative law judge shall have the authority to resolve the dispute, including the authority to approve a

compromise and release or issue a stipulated finding and award, and if the dispute cannot be resolved, to frame the issues and stipulations for trial. The appeals board shall adopt any regulations needed to implement this subdivision. The presiding workers' compensation administrative law judge shall supervise settlement conference referees in the performance of their judicial functions under this subdivision.

(3) If the claim is not resolved at the mandatory settlement conference, the parties shall file a pretrial conference statement noting the specific issues in dispute, each party's proposed permanent disability rating, and listing the exhibits, and disclosing witnesses. Discovery shall close on the date of the mandatory settlement conference. Evidence not disclosed or obtained thereafter shall not be admissible unless the proponent of the evidence can demonstrate that it was not available or could not have been discovered by the exercise of due diligence prior to the settlement conference.

(e) In cases involving the Director of the Department of Industrial Relations in his or her capacity as administrator of the Uninsured Employers Fund, this section shall not apply unless proof of service, as specified in paragraph (1) of subdivision (d) of Section 3716, has been filed with the appeals board and provided to the Director of Industrial Relations, valid jurisdiction has been established over the employer, and the fund has been joined.

(f) Except as provided in subdivision (a) and in Section 4065, the provisions of this section shall apply irrespective of the date of injury.

SEC. 123. Section 431 of the Military and Veterans Code is amended to read:

431. (a) The Adjutant General may, either directly or through armory boards, or through subordinate commanders, lease or otherwise authorize the use of, by any person for any lawful purpose, manage, supervise all activities in, perform all necessary military duties with respect to and control all armories that are built or acquired by the state, that come into possession or control of the state, or that are erected, purchased, leased, or provided or contributed to, in whole or in part, by any city, county, political subdivision, or district, or by anyone, for armory purposes.

(b) The Adjutant General may contract with the United States for the operation of any armory for purposes of training of federal military personnel, with provision that all state costs related to that operation shall be reimbursed by the United States.

(c) All revenues or income from any armory shall be paid to the Adjutant General who shall account for the revenues or income to the Controller at the close of each month in the form that the Controller prescribes and shall deposit the revenues and income into the Treasury to the credit of the Armory Discretionary Improvement Account, which is hereby created, in the General Fund. The revenues and income in the account shall be available, when appropriated, to the Adjutant General, for allocation for the maintenance, repairs, improvements, and operating expenses necessary or desirable for increased or improved community utilization of the facilities of the armory from which the revenues and income were derived.

SEC. 124. Section 1174.7 of the Penal Code is repealed.

SEC. 125. Section 3049.5 of the Penal Code is amended to read:

3049.5. Notwithstanding the provisions of Section 3049, any prisoner selected for inclusion in a specific research program approved by the Board of Corrections may be paroled upon completion of the diagnostic study provided for in Section 5079. The number of prisoners released in any year under this provision shall not exceed 5 percent of the total number of all prisoners released in the preceding year.

This section shall not apply to a prisoner who, while committing the offense for which he has been imprisoned, physically attacked any person by any means. A threat of attack is not a physical attack for the purposes of this section unless such threat was accompanied by an attempt to inflict physical harm upon some person.

SEC. 126. Section 3050 of the Penal Code is amended to read:

3050. (a) Notwithstanding any other provision of law, any inmate under the custody of the Department of Corrections and Rehabilitation who is not currently serving and has not served a prior indeterminate sentence or a sentence for a violent felony, a serious felony, or a crime that requires him or her to register as a sex offender pursuant to Section 290, who has successfully completed an in prison drug treatment program, upon release from state prison, shall, whenever possible, be entered into a 150-day residential aftercare drug treatment program sanctioned by the department.

(b) As a condition of parole, if the inmate successfully completes 150 days of residential aftercare treatment, as determined by the Department of Corrections and Rehabilitation and the aftercare provider, the parolee shall be discharged from parole supervision at that time.

SEC. 127. Section 4801 of the Penal Code is amended to read:

4801. (a) The Board of Parole Hearings may report to the Governor, from time to time, the names of any and all persons imprisoned in any state prison who, in its judgment, ought to have a commutation of sentence or be pardoned and set at liberty on account of good conduct, or unusual term of sentence, or any other cause, including evidence of intimate partner battering and its effects. For purposes of this section, “intimate partner battering and its effects” may include evidence of the nature and effects of physical, emotional, or mental abuse upon the beliefs, perceptions, or behavior of victims of domestic violence where it appears the criminal behavior was the result of that victimization.

(b) The Board of Parole Hearings, in reviewing a prisoner’s suitability for parole pursuant to Section 3041.5, shall consider any information or evidence that, at the time of the commission of the crime, the prisoner had experienced intimate partner battering, but was convicted of the offense prior to the enactment of Section 1107 of the Evidence Code by Chapter 812 of the Statutes of 1991. The board shall state on the record the information or evidence that it considered pursuant to this subdivision, and the reasons for the parole decision.

SEC. 128. Section 6131 of the Penal Code is amended to read:

6131. (a) Upon the completion of any review conducted by the Inspector General, he or she shall prepare a public written report. The public written report shall differ from the complete written report in the respect that the Inspector General shall have the discretion to redact or otherwise protect the names of individuals, specific locations, or other facts that, if not redacted, might hinder prosecution related to the review, or where disclosure of the information is otherwise prohibited by law, and to decline to produce any of the underlying materials. Copies of public written reports shall be posted on the Inspector General's Internet Web site within 10 days of being disclosed to the entities or persons listed in subdivision (b).

(b) Upon the completion of any review conducted by the Inspector General, he or she shall prepare a complete written report, which shall be held as confidential and disclosed in confidence, along with all underlying materials the Inspector General deems appropriate, to the Governor, the Secretary of the Department of Corrections and Rehabilitation, and the appropriate law enforcement agency.

SEC. 129. Section 6242.6 of the Penal Code is amended to read:

6242.6. (a) The board shall provide evaluation of the progress, activities, and performance of each center and participating county's progress established pursuant to this chapter and shall report the findings thereon to the Legislature two years after the operational onset of each facility.

(b) The board shall select an outside monitoring firm in cooperation with the Auditor General's office, to critique and evaluate the programs and their rates of success based on recidivism rates, drug use, and other factors it deems appropriate. Two years after the programs have begun operations, the report shall be provided to the Joint Legislative Prisons Committee, participating counties, the department, the Department of Alcohol and Drug Programs, the State Department of Health Services, and other sources the board deems of value. Notwithstanding subdivision (k) of Section 6242, one hundred fifty thousand dollars ($150,000) is hereby appropriated from the funds disbursed under this chapter from the 1990 Prison Construction Fund to the Board of Corrections to be used for program evaluation under this subdivision.

(c) The department shall be responsible for the ongoing monitoring of contract compliance for state offenders placed in each center.

SEC. 130. Section 8061 of the Penal Code is amended to read:

8061. The board, in collaboration with state, local, and community-based departments, agencies, and organizations shall do the following:

(a) Describe the parameters of effective community-based punishment programs and the relationship between the state and local jurisdictions in meeting the purposes of this chapter.

(b) Develop and implement a process by which local jurisdictions are selected and can participate in pilot efforts initiated under this chapter.

(c) Develop and implement the process by which counties participating in accordance with this chapter annually submit their community-based punishment program proposals for approval, modification, or both.

(d) Design and implement a process for annually awarding funds to counties participating pursuant to this chapter to implement their community-based punishment program proposals, and administer and monitor the receipt, expenditure, and reporting of those funds by participating counties.

(e) Provide technical assistance and support to counties and community correctional administrators in determining whether to participate in community-based punishment programs, and in either developing or annually updating their punishment programs.

(f) Facilitate the sharing of information among counties and between county and state agencies relative to community-based punishment approaches and programs being initiated or already in existence, strengths and weaknesses of specific programs, specific offender groups appropriate for different programs, results of program evaluations and other data, and anecdotal material that may assist in addressing the purposes of this chapter.

(g) Adopt and periodically revise regulations necessary to implement this chapter.

(h) Design and provide for regular and rigorous evaluation of the community-based punishment programming undertaken pursuant to approved community-based punishment plans.

(i) Design and provide for analysis and evaluation of the pilot and any subsequent implementation of this chapter, with areas of analysis to include, at a minimum, the following:

(1) The relationship between the board and counties or collaborations of counties submitting county community-based punishment plans.

(2) The effectiveness of this chapter in encouraging the use of intermediate as well as traditional sanctions.

(3) The categories of offenders most suitable for specific intermediate sanctions, various aspects of community-based punishment programming, or both.

(4) The effectiveness of the programs implemented pursuant to this chapter in maintaining public safety.

(5) The cost-effectiveness of the programs implemented pursuant to this chapter.

(6) The effect of the programs implemented pursuant to this chapter on prison, jail, and Department of the Youth Authority populations.

SEC. 131. Section 11166 of the Penal Code is amended to read:

11166. (a) Except as provided in subdivision (d), and in Section 11166.05, a mandated reporter shall make a report to an agency specified in Section 11165.9 whenever the mandated reporter, in his or her professional capacity or within the scope of his or her employment, has knowledge of or observes a child whom the mandated reporter knows or reasonably suspects has been the victim of child abuse or neglect. The mandated reporter shall make an initial report to the agency immediately or as soon as is practicably possible by telephone and the mandated reporter shall prepare and send, fax, or electronically transmit a written followup report thereof within 36 hours of receiving the information concerning the incident. The

mandated reporter may include with the report any nonprivileged documentary evidence the mandated reporter possesses relating to the incident.

(1) For purposes of this article, "reasonable suspicion" means that it is objectively reasonable for a person to entertain a suspicion, based upon facts that could cause a reasonable person in a like position, drawing, when appropriate, on his or her training and experience, to suspect child abuse or neglect. "Reasonable suspicion" does not require certainty that child abuse or neglect has occurred nor does it require a specific medical indication of child abuse or neglect; any "reasonable suspicion" is sufficient. For the purpose of this article, the pregnancy of a minor does not, in and of itself, constitute a basis for a reasonable suspicion of sexual abuse.

(2) The agency shall be notified and a report shall be prepared and sent, faxed, or electronically transmitted even if the child has expired, regardless of whether or not the possible abuse was a factor contributing to the death, and even if suspected child abuse was discovered during an autopsy.

(3) Any report made by a mandated reporter pursuant to this section shall be known as a mandated report.

(b) If after reasonable efforts a mandated reporter is unable to submit an initial report by telephone, he or she shall immediately or as soon as is practicably possible, by fax or electronic transmission, make a one-time automated written report on the form prescribed by the Department of Justice, and shall also be available to respond to a telephone followup call by the agency with which he or she filed the report. A mandated reporter who files a one-time automated written report because he or she was unable to submit an initial report by telephone is not required to submit a written followup report.

(1) The one-time automated written report form prescribed by the Department of Justice shall be clearly identifiable so that it is not mistaken for a standard written followup report. In addition, the automated one-time report shall contain a section that allows the mandated reporter to state the reason the initial telephone call was not able to be completed. The reason for the submission of the one-time automated written report in lieu of the procedure prescribed in subdivision (a) shall be captured in the Child Welfare Services/Case Management System (CWS/CMS). The department shall work with stakeholders to modify reporting forms and the CWS/CMS as is necessary to accommodate the changes enacted by these provisions.

(2) This subdivision shall not become operative until the CWS/CMS is updated to capture the information prescribed in this subdivision.

(3) This subdivision shall become inoperative three years after this subdivision becomes operative or on January 1, 2009, whichever occurs first.

(4) Nothing in this section shall supersede the requirement that a mandated reporter first attempt to make a report via telephone, or that agencies specified in Section 11165.9 accept reports from mandated reporters and other persons as required.

(c) Any mandated reporter who fails to report an incident of known or reasonably suspected child abuse or neglect as required by this section is guilty of a misdemeanor punishable by up to six months confinement in a county jail or by a fine of one thousand dollars ($1,000) or by both that imprisonment and fine. If a mandated reporter intentionally conceals his or her failure to report an incident known by the mandated reporter to be abuse or severe neglect under this section, the failure to report is a continuing offense until an agency specified in Section 11165.9 discovers the offense.

(d) (1) A clergy member who acquires knowledge or a reasonable suspicion of child abuse or neglect during a penitential communication is not subject to subdivision (a). For the purposes of this subdivision, "penitential communication" means a communication, intended to be in confidence, including, but not limited to, a sacramental confession, made to a clergy member who, in the course of the discipline or practice of his or her church, denomination, or organization, is authorized or accustomed to hear those communications, and under the discipline, tenets, customs, or practices of his or her church, denomination, or organization, has a duty to keep those communications secret.

(2) Nothing in this subdivision shall be construed to modify or limit a clergy member's duty to report known or suspected child abuse or neglect when the clergy member is acting in some other capacity that would otherwise make the clergy member a mandated reporter.

(3) (A) On or before January 1, 2004, a clergy member or any custodian of records for the clergy member may report to an agency specified in Section 11165.9 that the clergy member or any custodian of records for the clergy member, prior to January 1, 1997, in his or her professional capacity or within the scope of his or her employment, other than during a penitential communication, acquired knowledge or had a reasonable suspicion that a child had been the victim of sexual abuse that the clergy member or any custodian of records for the clergy member did not previously report the abuse to an agency specified in Section 11165.9. The provisions of Section 11172 shall apply to all reports made pursuant to this paragraph.

(B) This paragraph shall apply even if the victim of the known or suspected abuse has reached the age of majority by the time the required report is made.

(C) The local law enforcement agency shall have jurisdiction to investigate any report of child abuse made pursuant to this paragraph even if the report is made after the victim has reached the age of majority.

(e) Any commercial film and photographic print processor who has knowledge of or observes, within the scope of his or her professional capacity or employment, any film, photograph, videotape, negative, or slide depicting a child under the age of 16 years engaged in an act of sexual conduct, shall report the instance of suspected child abuse to the law enforcement agency having jurisdiction over the case immediately, or as soon as practicably possible, by telephone and shall prepare and send, fax, or electronically transmit a written report of it with a copy of the film, photograph, videotape, negative, or slide attached within 36 hours of receiving the information

concerning the incident. As used in this subdivision, "sexual conduct" means any of the following:

(1) Sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex or between humans and animals.

(2) Penetration of the vagina or rectum by any object.

(3) Masturbation for the purpose of sexual stimulation of the viewer.

(4) Sadomasochistic abuse for the purpose of sexual stimulation of the viewer.

(5) Exhibition of the genitals, pubic, or rectal areas of any person for the purpose of sexual stimulation of the viewer.

(f) Any mandated reporter who knows or reasonably suspects that the home or institution in which a child resides is unsuitable for the child because of abuse or neglect of the child shall bring the condition to the attention of the agency to which, and at the same time as, he or she makes a report of the abuse or neglect pursuant to subdivision (a).

(g) Any other person who has knowledge of or observes a child whom he or she knows or reasonably suspects has been a victim of child abuse or neglect may report the known or suspected instance of child abuse or neglect to an agency specified in Section 11165.9. For purposes of this section, "any other person" includes a mandated reporter who acts in his or her private capacity and not in his or her professional capacity or within the scope of his or her employment.

(h) When two or more persons, who are required to report, jointly have knowledge of a known or suspected instance of child abuse or neglect, and when there is agreement among them, the telephone report may be made by a member of the team selected by mutual agreement and a single report may be made and signed by the selected member of the reporting team. Any member who has knowledge that the member designated to report has failed to do so shall thereafter make the report.

(i) (1) The reporting duties under this section are individual, and no supervisor or administrator may impede or inhibit the reporting duties, and no person making a report shall be subject to any sanction for making the report. However, internal procedures to facilitate reporting and apprise supervisors and administrators of reports may be established provided that they are not inconsistent with this article.

(2) The internal procedures shall not require any employee required to make reports pursuant to this article to disclose his or her identity to the employer.

(3) Reporting the information regarding a case of possible child abuse or neglect to an employer, supervisor, school principal, school counselor, coworker, or other person shall not be a substitute for making a mandated report to an agency specified in Section 11165.9.

(j) A county probation or welfare department shall immediately, or as soon as practicably possible, report by telephone, fax, or electronic transmission to the law enforcement agency having jurisdiction over the case, to the agency given the responsibility for investigation of cases under

Section 300 of the Welfare and Institutions Code, and to the district attorney's office every known or suspected instance of child abuse or neglect, as defined in Section 11165.6, except acts or omissions coming within subdivision (b) of Section 11165.2, or reports made pursuant to Section 11165.13 based on risk to a child which relates solely to the inability of the parent to provide the child with regular care due to the parent's substance abuse, which shall be reported only to the county welfare or probation department. A county probation or welfare department also shall send, fax, or electronically transmit a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it makes a telephone report under this subdivision.

(k) A law enforcement agency shall immediately, or as soon as practicably possible, report by telephone, fax, or electronic transmission to the agency given responsibility for investigation of cases under Section 300 of the Welfare and Institutions Code and to the district attorney's office every known or suspected instance of child abuse or neglect reported to it, except acts or omissions coming within subdivision (b) of Section 11165.2, which shall be reported only to the county welfare or probation department. A law enforcement agency shall report to the county welfare or probation department every known or suspected instance of child abuse or neglect reported to it which is alleged to have occurred as a result of the action of a person responsible for the child's welfare, or as the result of the failure of a person responsible for the child's welfare to adequately protect the minor from abuse when the person responsible for the child's welfare knew or reasonably should have known that the minor was in danger of abuse. A law enforcement agency also shall send, fax, or electronically transmit a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it makes a telephone report under this subdivision.

SEC. 132. Section 11501 of the Penal Code is amended to read:

11501. (a) There is hereby established in the California Emergency Management Agency, a program of financial assistance to provide for statewide programs of education, training, and research for local public prosecutors and public defenders. All funds made available to the agency for the purposes of this chapter shall be administered and distributed by the secretary of the agency.

(b) The Secretary of Emergency Management is authorized to allocate and award funds to public agencies or private nonprofit organizations for purposes of establishing statewide programs of education, training, and research for public prosecutors and public defenders, which programs meet criteria established pursuant to Section 11502.

SEC. 133. Section 13777 of the Penal Code is amended to read:

13777. (a) Except as provided in subdivision (d), the Attorney General shall do each of the following:

(1) Collect information relating to anti-reproductive-rights crimes, including, but not limited to, the threatened commission of these crimes and persons suspected of committing these crimes or making these threats.

(2) Direct local law enforcement agencies to provide to the Department of Justice, in a manner that the Attorney General prescribes, any information that may be required relative to anti-reproductive-rights crimes. The report of each crime that violates Section 423.2 shall note the subdivision that prohibits the crime. The report of each crime that violates any other law shall note the code, section, and subdivision that prohibits the crime. The report of any crime that violates both Section 423.2 and any other law shall note both the subdivision of Section 423.2 and the other code, section, and subdivision that prohibits the crime.

(3) Develop a plan to prevent, apprehend, prosecute, and report anti-reproductive-rights crimes, and to carry out the legislative intent expressed in subdivisions (c), (d), (e), and (f) of Section 1 of the act that enacts this title in the 2001–02 Regular Session of the Legislature.

(b) In carrying out his or her responsibilities under this section, the Attorney General shall consult the Governor, the Commission on Peace Officer Standards and Training, and other subject matter experts.

(c) The Attorney General shall implement this section to the extent the Legislature appropriates funds in the Budget Act or another statute for this purpose.

SEC. 134. Section 13847 of the Penal Code is amended to read:

13847. (a) There is hereby established in the agency a program of financial and technical assistance for local law enforcement, called the Rural Indian Crime Prevention Program. The program shall target the relationship between law enforcement and Native American communities to encourage and to strengthen cooperative efforts and to implement crime suppression and prevention programs.

(b) The secretary may allocate and award funds to those local units of government, or combinations thereof, in which a special program is established in law enforcement agencies that meets the criteria set forth in Sections 13847.1 and 13847.2.

(c) The allocation and award of funds shall be made upon application executed by the chief law enforcement officer of the applicant unit of government and approved by the legislative body. Funds disbursed under this chapter shall not supplant local funds that would, in the absence of the Rural Indian Crime Prevention Program, be made available to support the suppression and prevention of crime on reservations and rancherias.

(d) The secretary shall prepare and issue administrative guidelines and procedures for the Rural Indian Crime Prevention Program consistent with this chapter.

(e) The guidelines shall set forth the terms and conditions upon which the agency is prepared to offer grants of funds pursuant to statutory authority. The guidelines do not constitute rules, regulations, orders, or standards of general application.

SEC. 135. Section 4124 of the Public Resources Code is amended to read:

4124. The department shall submit an annual report to the Joint Legislative Budget Committee, in accordance with Section 9795 of the

Government Code, regarding emergency incidents funded entirely or in part from Item 3540-006-0001 of Section 2.00 of the annual Budget Act, commonly referred to as the "emergency fund," or from a similar provision of any future Budget Act that provides funds for emergency fire suppression and detection costs and related emergency revegetation costs, and for which the department administratively classifies these funds as being expended from the emergency fund. The report shall include all of the following:

(a) For each incident that is estimated to cost more than five million dollars ($5,000,000), as adjusted annually by the department to account for inflation using the California Consumer Price Index published by the Department of Industrial Relations, the report shall include all of the following information, to the extent the information is known by the department:

(1) The administrative district or districts and the county or counties in which the incident occurred, and whether the incident occurred in a state responsibility area, local responsibility area, federal responsibility area, or some combination of those areas.

(2) A general description of the incident and the department's response to the incident.

(3) The total estimated cost of the incident, listed by appropriate category, including, but not limited to, overtime, additional staffing, inmate costs, travel, accommodations, air support, and nonstate vendor costs.

(4) The estimated costs charged to the emergency fund, listed by appropriate category, including, but not limited to, overtime, additional staffing, inmate costs, travel, accommodations, air support, and nonstate vendor costs.

(5) The number of personnel and equipment assigned to the incident, including state resources, federal resources, and local resources.

(6) Whether the state's costs to respond to the incident are eligible for reimbursement from the federal government or a local government.

(7) Whether the department had performed any fuel reduction, vegetation management, controlled burns, or other fuel treatment in the area of the incident that impacted either the course of the incident or the department's response to the incident.

(b) For each incident that is estimated to cost less than five million dollars ($5,000,000), as adjusted annually by the department to account for inflation using the California Consumer Price Index published by the Department of Industrial Relations, the report shall include a list of those incidents, specifying each incident's total estimated cost and total estimated costs charged to the emergency fund.

(c) Information on any other costs paid in whole or in part from the emergency fund.

SEC. 136. Section 4137 of the Public Resources Code is amended to read:

4137. (a) For purposes of this section, "fire prevention activities" include, but are not limited to, all of the following:

(1) Fire prevention education.

(2) Hazardous fuel reduction and vegetation management.
(3) Fire investigation.
(4) Civil cost recovery.
(5) Forest and fire law enforcement.
(6) Fire prevention engineering.
(7) Prefire planning.
(8) Risk analysis.
(9) Volunteer programs and partnerships.

(b) It is the intent of the Legislature that the year-round staffing and the extension of the workweek that has been provided to the department pursuant to memorandums of understanding with the state will result in significant increases in the department's current level of fire prevention activities. It is also the intent of the Legislature that the budgetary augmentations for year-round staffing not reduce the reimbursements that the department receives from contracts with local governments for the department to provide local fire protection and emergency services pursuant to Section 4144, commonly referred to as "Amador agreements."

(c) On or before January 10 of each year, the department shall provide a report to the Legislature, including the budget and fiscal committees of the Assembly and the Senate, in accordance with Section 9795 of the Government Code, detailing the department's fire prevention activities, including the increased activities described in subdivision (b). The report shall display the fire prevention activities of the previous fiscal year, as well as the information from previous reports for purposes of a comparison of data. The report shall include all of the following:

(1) Fire prevention activities performed by the department on lands designated as state responsibility areas, and by counties, where, pursuant to a contract with the department, a county has agreed to provide fire protection services in state responsibility areas within county boundaries on behalf of the department. The fire prevention activities included in the report pursuant to this paragraph shall include, but not be limited to, all of the following:

(A) The number of hours of fire prevention education performed.

(B) The number of defensible space inspections conducted, including statewide totals and totals for each region.

(C) The number of citations issued for noncompliance with Section 4291.

(D) The number of acres treated by mechanical fuel reduction.

(E) The number of acres treated by prescribed burns.

(F) Any other data or qualitative information deemed necessary by the department in order to provide the Legislature with a clear and accurate accounting of fire prevention activities, particularly with regard to variations from one year to the next.

(2) The fire prevention performance measures described in subparagraphs (A) to (F), inclusive, of paragraph (1) shall be reported for each region annually, including activities performed from December 15 to April 15, inclusive.

(3) Projected fire prevention activities for the following fiscal year.

(4) Information on each of the "Amador contracts" described in subdivision (b), including an annual update on the number of those contracts and reimbursements received from the contracts that are in effect.

SEC. 137. Section 4214 of the Public Resources Code is amended to read:

4214. (a) Fire prevention fees collected pursuant to this chapter shall be expended, upon appropriation by the Legislature, as follows:

(1) The State Board of Equalization shall retain moneys necessary for the payment of refunds pursuant to Section 4228 and reimbursement of the State Board of Equalization for expenses incurred in the collection of the fee.

(2) The moneys collected, other than that retained by the State Board of Equalization pursuant to paragraph (1), shall be deposited into the State Responsibility Area Fire Prevention Fund, which is hereby created in the State Treasury, and shall be available to the board and the department to expend for fire prevention activities specified in subdivision (d) that benefit the owners of structures within a state responsibility area who are required to pay the fire prevention fee. The amount expended to benefit the moneys of structures within a state responsibility area shall be commensurate with the amount collected from the owners within that state responsibility area. All moneys in excess of the costs of administration of the board and the department shall be expended only for fire prevention activities in counties with state responsibility areas.

(b) (1) The fund may also be used to cover the costs of administering this chapter.

(2) The fund shall cover all startup costs incurred over a period not to exceed two years.

(c) It is the intent of the Legislature that the moneys in this fund be fully appropriated to the board and the department each year in order to effectuate the purposes of this chapter.

(d) Moneys in the fund shall be used only for the following fire prevention activities, which shall benefit owners of structures within the state responsibility areas who are required to pay the annual fire prevention fee pursuant to this chapter:

(1) Local assistance grants pursuant to subdivision (e).

(2) Grants to Fire Safe Councils, the California Conservation Corps, or certified local conservation corps for fire prevention projects and activities in the state responsibility areas.

(3) Grants to a qualified nonprofit organization with a demonstrated ability to satisfactorily plan, implement, and complete a fire prevention project applicable to the state responsibility areas. The department may establish other qualifying criteria.

(4) Inspections by the department for compliance with defensible space requirements around structures in state responsibility areas as required by Section 4291.

(5) Public education to reduce fire risk in the state responsibility areas.

(6) Fire severity and fire hazard mapping by the department in the state responsibility areas.

(7) Other fire prevention projects in the state responsibility areas, authorized by the board.

(e) (1) The board shall establish a local assistance grant program for fire prevention activities designed to benefit structures within state responsibility areas, including public education, that are provided by counties and other local agencies, including special districts, with state responsibility areas within their jurisdictions.

(2) In order to ensure an equitable distribution of funds, the amount of each grant shall be based on the number of structures in state responsibility areas for which the applicant is legally responsible and the amount of moneys made available in the annual Budget Act for this local assistance grant program.

(f) By January 1, 2013, and annually thereafter, the board shall submit to the Legislature a written report on the status and uses of the fund pursuant to this chapter. The board shall work collaboratively with the Department of Forestry and Fire Protection in preparing the written report pursuant to this subdivision. The written report shall also include an evaluation of the benefits received by counties based on the number of structures in state responsibility areas within their jurisdictions, the effectiveness of the board's grant programs, the number of defensible space inspections in the reporting period, the degree of compliance with defensible space requirements, measures to increase compliance, if any, and any recommendations to the Legislature.

(g) (1) The requirement for submitting a report imposed under subdivision (f) is inoperative on January 1, 2017, pursuant to Section 10231.5 of the Government Code.

(2) A report to be submitted pursuant to subdivision (f) shall be submitted in compliance with Section 9795 of the Government Code.

(h) It is essential that this article be implemented without delay. To permit timely implementation, the department may contract for services related to the establishment of the fire prevention fee collection process. For this purpose only, and for a period not to exceed 24 months, the provisions of the Public Contract Code or any other provision of law related to public contracting shall not apply.

SEC. 138. Section 4612 of the Public Resources Code is repealed.

SEC. 139. Section 5004.5 of the Public Resources Code is amended to read:

5004.5. (a) The California Youth Soccer and Recreation Development Program is hereby created in the department. The department shall administer the program, which is intended to provide assistance to local agencies and community-based organizations with regard to funding, and fostering the development of, new youth soccer, baseball, softball, and basketball recreation opportunities in the state.

(b) The California Youth Soccer and Recreation Development Fund is hereby created in the State Treasury, to be used as a repository of funds derived from federal, state, and private sources to be used for the program.

(c) The department shall award grants, on a competitive basis, to local agencies and community-based organizations for the purposes of the program, subject to an appropriation therefor. The department shall also develop eligibility guidelines for the award of grants that give preference to those communities that provide matching funds for grants, and that are heavily populated, low-income urban areas with a high youth crime and unemployment rate. The guidelines shall also require that preference be given to those inner city properties that may be leased for periods of at least five years or more for recreational purposes. The department shall conduct public hearings throughout the state prior to final adoption of eligibility guidelines.

(d) Any regulation, guideline, or procedural guide adopted or developed pursuant to this section is not subject to the review or approval of the Office of Administrative Law or to any other requirement of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) For purposes of this section, the following terms have the following meanings:

(1) "Community-based organization" means an organization that enters into a cooperative agreement with the department pursuant to Section 513, a nonprofit group or organization, or a friends of parks group or organization of a city, county, city and county, and regional park. All community-based organizations shall have a current tax-exempt status as a nonprofit organization under Section 501(c)(3) of the federal Internal Revenue Code.

(2) "Local agency" means a city, county, city and county, park and recreation district, open-space district, or school district.

(f) This section shall be implemented only upon appropriation of sufficient funds to the department for that purpose.

(g) All funds received by the department pursuant to this section shall be encumbered within three years of the date of the appropriation and expended within eight years from the date of the appropriation.

(h) Nothing in this section is intended to prohibit community-based organizations from acting in partnership with organizations that do not have tax-exempt status as a nonprofit organization under Section 501(c)(3) of the federal Internal Revenue Code.

SEC. 140. Section 5095.53 of the Public Resources Code is amended to read:

5095.53. The plan shall include a specific timeline for implementation.

SEC. 141. Section 5096.162 of the Public Resources Code is amended to read:

5096.162. (a) Any Member of the Legislature, the State Park and Recreation Commission, the California Coastal Commission, or the Secretary of the Resources Agency may nominate any project to be funded under this

article for study by the Department of Parks and Recreation. Any of the commissions shall make nominations by vote of its membership.

(b) The Department of Parks and Recreation shall study any project so nominated.

(c) Projects proposed for appropriation for the state park system pursuant to subdivision (b) of Section 5096.151 shall be subject to the favorable recommendation of the State Park and Recreation Commission. Projects recommended by the commission shall be forwarded to the Director of Finance for inclusion in the Budget Bill.

SEC. 142. Section 5096.242 of the Public Resources Code is amended to read:

5096.242. (a) Any Member of the Legislature, the State Park and Recreation Commission, the California Coastal Commission, or the Secretary of the Resources Agency may nominate any project to be funded under this article for study by the Department of Parks and Recreation. The State Park and Recreation Commission shall nominate projects after holding at least one public hearing to seek project proposals from individuals, citizen groups, the Department of Parks and Recreation, and other public agencies. Any of the commissions shall make nominations by vote of its membership.

(b) The Department of Parks and Recreation shall study any project so nominated.

(c) Nominated projects shall be approved by the Secretary of the Resources Agency and forwarded by the secretary to the Director of Finance for inclusion in the Budget Bill.

SEC. 143. Section 5096.320 of the Public Resources Code is amended to read:

5096.320. The Legislature hereby recognizes that public financial resources are inadequate to meet all capital outlay needs of the state park system and that the need for the acquisition, development, restoration, rehabilitation, improvement, and protection of state park system lands and facilities has increased to the point that their continued well-being and the realization of their full public benefit is in jeopardy.

Projects approved by the secretary shall be forwarded by the secretary to the Director of Finance for inclusion in the Budget Bill.

SEC. 144. Section 5096.340 of the Public Resources Code is amended to read:

5096.340. (a) Not less than 11 percent of the funds authorized in paragraph (1) of subdivision (*l*) of Section 5096.310 shall be available as grants on a competitive basis to cities, counties, and nonprofit organizations for the development or rehabilitation of real property consisting of urban recreational and cultural centers, museums, and facilities for wildlife education or environmental education.

(b) To be eligible for funding, a project shall initially be nominated by a Member of the Legislature for study by the department.

(c) In establishing priorities of projects, the department shall consider any favorable project characteristics, including, but not limited to, all of the following:

(1) The project will interpret one or more important California historical, cultural, economic, or resource themes or an important historical, cultural, economic, technological, or resource theme in a major region of California. Higher priority shall be assigned to projects whose themes are not interpreted in any existing museum or have demonstrable deficiencies in their presentation in an existing museum.

(2) The project is proposed to be operated on lands that are already in public ownership or on lands that will be acquired and used for the project in conjunction with adjoining public lands.

(3) Projects that are closely related geographically to the resources, activity, structure, place, or collection of objects to be interpreted, and are close to population centers and access routes.

(4) Projects that are in, or close to, population centers or are adjacent to, or readily served by, a state highway or other mode of public transportation.

(5) Projects for which there are commitments, or the serious likelihood of commitments, of funds or the donation of land or other property suitable for the project.

(d) The department shall annually forward a list of the highest priority projects to the Department of Finance for inclusion in the Budget Bill.

(e) An application for a grant for a cooperative museum project shall be submitted jointly by the city, county, or other public agency, an institute of higher learning, or a nonprofit organization that cooperatively is operating, or will operate, the project.

SEC. 145. Section 5631 of the Public Resources Code is amended to read:

5631. The department, in cooperation with the federal government, local public agencies, and appropriate representatives of industry, shall, from time to time as needed but no less frequently than once every five years, coordinate and conduct a statewide needs analysis in relation to the purposes of this chapter. That analysis shall include a full review of the grant program authorized pursuant to this chapter.

SEC. 146. Section 5632 of the Public Resources Code is repealed.

SEC. 147. Section 6217.8 of the Public Resources Code is amended to read:

6217.8. (a) For purposes of this section, "fund" means the Oil Trust Fund established pursuant to subdivision (b).

(b) The Oil Trust Fund is hereby established in the State Treasury, and the moneys in the fund are hereby appropriated to the commission in accordance with this section.

(c) (1) On or before March 1, 2006, the City of Long Beach shall pay to the State Lands Commission all money, including both principal and interest, in the abandonment reserve fund that the city created in 1999 and that was the subject of the litigation in State of California ex rel. California State Lands Commission v. City of Long Beach (2005) 125 Cal.App.4th 767.

(2) The Controller shall deposit in the fund any funds paid to the commission pursuant to paragraph (1).

(3) Except as provided in paragraph (4), on the last day of each month beginning July 31, 2006, the Controller shall transfer to the fund the amount of two million dollars ($2,000,000) or 50 percent of remaining oil revenue, as described in subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, First Extraordinary Session to the Oil Trust Fund, whichever is less.

(4) Beginning July 1, 2005, and ending December 31, 2005, any contributions to the fund shall be suspended, except those funds described in paragraphs (1) and (2). During that period the Controller shall transfer four million dollars ($4,000,000) monthly to the General Fund from oil revenues, as described in subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, First Extraordinary Session.

(5) Beginning January 1, 2006, and ending June 30, 2006, the amount contributed to the fund shall be the amount specified in paragraph (3). During that period the Controller shall also transfer two million dollars ($2,000,000) monthly to the General Fund from oil revenues, as described in subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, First Extraordinary Session.

(d) (1) The total amount deposited in the fund shall not exceed three hundred million dollars ($300,000,000). From the date the balance in the fund totals three hundred million dollars ($300,000,000), all interest earned thereafter shall be transferred to the General Fund.

(2) All interest earned on the money in the abandonment reserve fund specified in paragraph (1) of subdivision (c) shall be transferred to the fund.

(3) The commission shall expend the money from the fund solely to finance the costs of well abandonment, pipeline removal, facility removal, remediation, and other costs associated with removal of oil and gas facilities from the Long Beach tidelands that are not the responsibility of other parties.

(4) All money remaining in the fund after completion of all activities described in subdivision (3) shall be transferred to the General Fund.

(e) The moneys deposited in the fund are hereby appropriated to the commission commencing when all of the following conditions are met:

(1) The City of Long Beach adopts a resolution declaring that the oil revenue described in subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, First Extraordinary Session, is insufficient to fund the costs of activities described in paragraph (3) of subdivision (d) of this section.

(2) The City of Long Beach transmits to the commission a copy of the resolution and all necessary accompanying documentation, including a plan for expenditures for the activities described in paragraph (3) of subdivision (d).

(3) The commission reviews the material provided in paragraph (2) and notifies the Controller within 60 calendar days of receiving the material specified in paragraph (2), that expenditure from the fund may be made so that activities described in paragraph (3) of subdivision (d) can begin. The commission shall provide a schedule for expenditures for disbursement of moneys from the fund to the City of Long Beach. The commission shall

submit a copy of the schedule to the Department of Finance and to the fiscal and appropriate policy committees of the Legislature.

SEC. 148. Section 6331.5 of the Public Resources Code is amended to read:

6331.5. The commission shall make an inventory to ascertain and describe by metes and bounds the location and extent of all ungranted tidelands. The commission shall, in a local agency where the ungranted tideland boundary is described by metes and bounds, acquire and evaluate the existing boundary description to determine whether or not additional surveys should be conducted. When available, the local agency shall provide copies of the descriptions, together with all materials supporting the descriptions, including field notes and other basic data, to the commission at no cost, other than the reproduction cost, to the state.

No appropriation is made by the act adding this section, nor is an obligation created thereby, for the reimbursement of a local agency for costs, other than reproduction costs, that may be incurred by it in carrying on a program or performing a service required to be carried on or performed by it by this section. Reimbursements for reproduction expenditures shall be made by the commission from appropriations to the commission for the preparation of the inventory.

The commission shall evaluate each survey and shall adopt boundary descriptions already in common use where these metes and bounds descriptions approximate the existing line of ordinary high water where it is in a state of nature, or where the descriptions approximate the last position occupied in a state of nature by the line of ordinary high water in areas where the existing shoreline has ceased to be in a state of nature, and where sound engineering practices were used to conduct the survey. If metes and bounds descriptions of tideland boundaries are not available, or if the surveys do not describe the tideland boundary in a state of nature as hereinbefore defined, or if unsound engineering practices were used to describe a tideland boundary, the commission may conduct its own survey. Unless otherwise provided by law, prior to undertaking a survey on ungranted tidelands, the commission shall prepare an inventory of those ungranted tidelands that will require a commission survey.

SEC. 149. Section 12290 of the Public Resources Code is repealed.

SEC. 150. Section 12291 of the Public Resources Code is repealed.

SEC. 151. Section 25401.9 of the Public Resources Code is amended to read:

25401.9. (a) To the extent that funds are available, the commission, in consultation with the Department of Water Resources, shall adopt by regulation, after holding one or more public hearings, performance standards and labeling requirements for landscape irrigation equipment, including, but not limited to, irrigation controllers, moisture sensors, emission devices, and valves, for the purpose of reducing the wasteful, uneconomic, inefficient, or unnecessary consumption of energy or water.

(b) For the purposes of complying with subdivision (a), the commission shall do both of the following:

(1) Adopt performance standards and labeling requirements for landscape irrigation controllers and moisture sensors on or before January 1, 2010.

(2) Consider the Irrigation Association's Smart Water Application Technology Program testing protocols when adopting performance standards for landscape irrigation equipment, including, but not limited to, irrigation controllers, moisture sensors, emission devices, and valves.

(c) On and after January 1, 2012, an irrigation controller or moisture sensor for landscape irrigation uses may not be sold or installed in the state unless the controller or sensor meets the performance standards and labeling requirements established pursuant to this section.

SEC. 152. Section 25722.5 of the Public Resources Code is amended to read:

25722.5. (a) In order to achieve the policy objectives set forth in Sections 25000.5 and 25722, the Department of General Services, in consultation with the commission and the State Air Resources Board, shall develop and adopt specifications and standards for all passenger cars and light-duty trucks that are purchased or leased on behalf of, or by, state offices, agencies, and departments. An authorized emergency vehicle, as defined in Section 165 of the Vehicle Code, that is equipped with emergency lamps or lights described in Section 25252 of the Vehicle Code is exempt from the requirements of this section. The specifications and standards shall include the following:

(1) Minimum air pollution emission specifications that meet or exceed California's Ultra-Low Emission Vehicle II (ULEV II) standards for exhaust emissions (13 Cal. Code Regs. 1961). These specifications shall apply on January 1, 2006, for passenger cars and on January 1, 2010, for light-duty trucks.

(2) Notwithstanding any other provision of law, the utilization of procurement policies that enable the Department of General Services to do all of the following:

(A) Evaluate and score emissions, fuel costs, and fuel economy in addition to capital cost to enable the Department of General Services to choose the vehicle with the lowest life-cycle cost when awarding a state vehicle procurement contract.

(B) Maximize the purchase or lease of hybrid or "Best in Class" vehicles that are substantially more fuel efficient than the class average.

(C) Maximize the purchase or lease of available vehicles that meet or exceed California's Super Ultra-Low Emission Vehicle (SULEV) passenger car standards for exhaust emissions.

(D) Maximize the purchase or lease of alternative fuel vehicles.

(3) In order to discourage the unnecessary purchase or leasing of a sport utility vehicle and a four-wheel drive truck, a requirement that each state office, agency, or department seeking to purchase or lease that vehicle, demonstrate to the satisfaction of the Director of General Services or to the entity that purchases or leases vehicles for that office, agency, or department, that the vehicle is required to perform an essential function of the office, agency, or department. If it is so demonstrated, priority consideration shall

be given to the purchase or lease of an alternative fuel or hybrid sports utility vehicle or four-wheel drive vehicle.

(b) The specifications and standards developed and adopted pursuant to subdivision (a) do not apply upon the development and implementation of the method, criteria, and procedure described in Section 25722.6.

(c) Each state office, agency, and department shall review its vehicle fleet and, upon finding that it is fiscally prudent, cost effective, or otherwise in the public interest to do so, shall dispose of nonessential sport utility vehicles and four-wheel drive trucks in its fleet and replace these vehicles with more fuel-efficient passenger cars and trucks.

(d) To the maximum extent practicable, each state office, agency, and department that has bifuel natural gas, bifuel propane, and flex fuel vehicles in its vehicle fleet shall use the respective alternative fuel in those vehicles.

(e) The Director of General Services shall compile annually and maintain information on the nature of vehicles that are owned or leased by the state, including, but not limited to, all of the following:

(1) The number of passenger-type motor vehicles purchased or leased during the year, and the number owned or leased as of December 31 of each year.

(2) The number of sport utility vehicles and four-wheel drive trucks purchased or leased by the state during the year, and the number owned or leased as of December 31 of each year.

(3) The number of alternatively fueled vehicles and hybrid vehicles purchased or leased by the state during the year, and the total number owned or leased as of December 31 of each year and their location.

(4) The locations of the alternative fuel pumps available for those vehicles.

(5) The justification provided for all sport utility vehicles and four-wheel drive trucks purchased or leased by the state and the specific office, department, or agency responsible for the purchase or lease.

(6) The number of sport utility vehicles and four-wheel drive trucks purchased or leased by the state during the year, and the number owned or leased as of December 31 of each year that are alternative fuel or hybrid vehicles.

(7) The number of light-duty trucks disposed of under subdivision (c).

(8) The total dollars spent by the state on passenger-type vehicle purchases and leases, categorized by sport utility vehicle and nonsport utility vehicle, and within each of those categories, by alternative fuel, hybrid and other.

(9) The total annual consumption of gasoline and diesel fuel used by the state fleet.

(10) The total annual consumption of alternative fuels.

(11) On December 31, 2009, and annually thereafter, the Director of General Services shall also compile the total annual vehicle miles traveled by vehicles in the state fleet.

(f) Each state office, agency, and department shall cooperate with the Department of General Services' data requests in order that the department may compile and maintain the information required in subdivision (e).

(g) As soon as practicable, but no later than 12 months after receiving the data, the information compiled and maintained under subdivision (e) and a list of those state offices, agencies, and departments that are not in compliance with subdivision (f) shall be made available to the public on the Department of General Services' Internet Web site.

(h) Beginning July 1, 2009, and every three years thereafter, the Director of General Services shall prepare a report on the information compiled and maintained pursuant to subdivision (e). The Director of General Services shall post that report on its Internet Web site.

(i) Pursuant to Article IX of the California Constitution, this section shall not apply to the University of California except to the extent that the Regents of the University of California, by appropriate resolution, make this section applicable.

SEC. 153. Section 25722.8 of the Public Resources Code is amended to read:

25722.8. (a) On or before July 1, 2009, the Secretary of State and Consumer Services, in consultation with the Department of General Services and other appropriate state agencies that maintain or purchase vehicles for the state fleet, including the campuses of the California State University, shall develop and implement, and submit to the Legislature and the Governor, a plan to improve the overall state fleet's use of alternative fuels, synthetic lubricants, and fuel-efficient vehicles by reducing or displacing the consumption of petroleum products by the state fleet when compared to the 2003 consumption level based on the following schedule:

(1) By January 1, 2012, a 10-percent reduction or displacement.

(2) By January 1, 2020, a 20-percent reduction or displacement.

(b) Beginning April 1, 2010, and annually thereafter, the Department of General Services shall prepare a progress report on meeting the goals specified in subdivision (a). The Department of General Services shall post the progress report available on its Internet Web site.

SEC. 154. Section 29773.5 of the Public Resources Code is repealed.

SEC. 155. Section 30404 of the Public Resources Code is amended to read:

30404. (a) The Natural Resources Agency shall periodically, in the case of the State Energy Resources Conservation and Development Commission, the State Board of Forestry and Fire Protection, the State Water Resources Control Board and the California regional water quality control boards, the State Air Resources Board and air pollution control districts and air quality management districts, the Department of Fish and Game, the Department of Parks and Recreation, the Department of Boating and Waterways, the California Geological Survey and the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation, and the State Lands Commission, and may, with respect to any other state agency, submit recommendations designed to encourage the state agency to carry out its

functions in a manner consistent with this division. The recommendations may include proposed changes in administrative regulations, rules, and statutes.

(b) This section shall remain in effect only until July 1, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2013, deletes or extends that date.

SEC. 156. Section 30404 is added to the Public Resources Code, to read:

30404. (a) The Natural Resources Agency shall periodically, in the case of the State Energy Resources Conservation and Development Commission, the State Board of Forestry and Fire Protection, the State Water Resources Control Board and the California regional water quality control boards, the State Air Resources Board and air pollution control districts and air quality management districts, the Department of Fish and Game, the Department of Parks and Recreation, the California Geological Survey and the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation, and the State Lands Commission, and may, with respect to any other state agency, submit recommendations designed to encourage the state agency to carry out its functions in a manner consistent with this division. The recommendations may include proposed changes in administrative regulations, rules, and statutes.

(b) This section shall become operative on July 1, 2013.

SEC. 157. Section 30533 of the Public Resources Code is repealed.

SEC. 158. Section 32556 of the Public Resources Code is amended to read:

32556. (a) The board shall consist of 13 voting members and 7 nonvoting members.

(b) The 13 voting members of the board shall consist of the following:

(1) The Secretary of the Resources Agency, or his or her designee.

(2) The Director of Parks and Recreation, or his or her designee.

(3) The Director of Finance, or his or her designee.

(4) The Director of the Los Angeles County Department of Parks, or his or her designee.

(5) The member of the Los Angeles County Board of Supervisors within whose district the majority of the Baldwin Hills area is located.

(6) Six members of the public appointed by the Governor who are residents of Los Angeles County and who represent the diversity of the community surrounding the Baldwin Hills area. Of those six members, four members shall be selected as follows:

(A) One member shall be a resident of Culver City selected from a list of three persons nominated by the city council.

(B) Three members shall be residents of the adjacent communities of Blair Hills, Ladera Heights, Baldwin Hills, Windsor Hills, Inglewood, View Park, or Baldwin Vista.

(7) A resident of Los Angeles County appointed by the Speaker of the Assembly, and a resident of Los Angeles County appointed by the Senate Committee on Rules.

(c) The seven nonvoting members shall consist of the following:

(1) The Secretary of the California Environmental Protection Agency, or his or her designee.

(2) The Executive Officer of the State Coastal Conservancy, or his or her designee.

(3) The Executive Officer of the State Lands Commission, or his or her designee.

(4) An appointee of the Governor with experience in developing contaminated sites, commonly referred to as "brownfields."

(5) The Executive Director of the Santa Monica Mountains Conservancy, or his or her designee.

(6) The Director of the Culver City Human Services Department, or his or her designee.

(7) The Director of the Department of Conservation, or his or her designee.

(d) A quorum shall consist of seven voting members of the board, and any action of the board affecting any matter before the board shall be decided by a majority vote of the voting members present, a quorum being present. However, the affirmative vote of at least four of the voting members of the board shall be required for the transaction of any business of the board.

(e) The board shall do both of the following:

(1) Study the potential environmental and recreational uses of Ballona Creek and the adjacent property described in subdivision (a) of Section 32553.

(2) Develop a proposed map for that area.

SEC. 159. Section 32556.2 of the Public Resources Code is repealed.

SEC. 160. Section 41821.5 of the Public Resources Code is amended to read:

41821.5. (a) Disposal facility operators shall submit to counties information from periodic tracking surveys on the disposal tonnages by jurisdiction or region of origin that are disposed of at each disposal facility. To enable disposal facility operators to provide that information, solid waste handlers and transfer station operators shall provide information to disposal facility operators on the origin of the solid waste that they deliver to the disposal facility.

(b) Recycling and composting facilities shall submit periodic information to counties on the types and quantities of materials that are disposed of, sold to end users, or that are sold to exporters or transporters for sale outside of the state, by county of origin. When materials are sold or transferred by one recycling or composting facility to another, for other than an end use of the material or for export, the seller or transferor of the material shall inform the buyer or transferee of the county of origin of the materials. The reporting requirements of this subdivision do not apply to entities that sell the byproducts of a manufacturing process.

(c) Each county shall submit periodic reports to the cities within the county, to any regional agency of which it is a member agency, and to the board, on the amounts of solid waste disposed by jurisdiction or region of origin, as specified in subdivision (a), and on the categories and amounts

of solid waste diverted to recycling and composting facilities within the county or region, as specified in subdivision (b).

(d) The board may adopt regulations pursuant to this section requiring practices and procedures that are reasonable and necessary to perform the periodic tracking surveys required by this section, and that provide a representative accounting of solid wastes that are handled, processed, or disposed. Those regulations or periodic tracking surveys approved by the board shall not impose an unreasonable burden on waste handling, processing, or disposal operations or otherwise interfere with the safe handling, processing, and disposal of solid waste.

SEC. 161. Section 42889.3 of the Public Resources Code is repealed.

SEC. 162. Section 47123 of the Public Resources Code is repealed.

SEC. 163. Section 5096.829 of the Public Resources Code is repealed.

SEC. 164. Section 71211 of the Public Resources Code is amended to read:

71211. (a) (1) The Department of Fish and Game, in consultation with the commission and the United States Coast Guard, shall collect data necessary to establish and maintain an inventory of the location and geographic range of nonindigenous species populations in the coastal and estuarine waters of the state that includes open coastal waters and bays and estuaries. In particular, data shall be collected that does both of the following:

(A) Supplements the existing baseline of nonindigenous species previously developed pursuant to this section, by adding data from investigations of intertidal and nearshore subtidal habitats along the open coast.

(B) Monitors the coastal and estuarine waters of the state, including, but not limited to, habitats along the open coast, for new introductions of nonindigenous species or spread of existing nonindigenous species populations.

(2) Whenever possible, the study shall utilize appropriate, existing data, including data from previous studies made pursuant to this section. The Department of Fish and Game shall make the inventory and accompanying analysis available to the public through the Internet on or before January 1, 2007, and annually shall provide to the public an update of that inventory.

(b) (1) The Department of Fish and Game, in consultation with the commission and the United States Coast Guard, shall assess the effectiveness of the ballast water controls implemented pursuant to this division by comparing the status and establishment of nonindigenous species populations, as determined from the data collected pursuant to subdivision (a), with the baseline data collected pursuant to this division and submitted in a report to the Legislature in 2003.

(2) Whenever possible, this research shall utilize appropriate, existing data.

(c) Information generated by the research conducted pursuant to this section shall be of the type and in a format useful for subsequent studies and reports undertaken for any of the following purposes:

(1) The determination of alternative discharge zones.

(2) The identification of environmentally sensitive areas to be avoided for uptake or discharge of ballast water.

(3) The long-term effectiveness of discharge control measures.

(4) The determination of potential risk zones where uptake or discharge of ballast water shall be prohibited.

(5) The rate and risk of establishment of nonindigenous species in the coastal waters of the state, and resulting impacts.

SEC. 165. Section 9502 of the Public Utilities Code is repealed.

SEC. 166. Section 185032 of the Public Utilities Code is amended to read:

185032. Upon an appropriation in the Budget Act for that purpose, the authority shall prepare a plan for the construction and operation of a high-speed train network for the state, consistent with and continuing the work of the Intercity High-Speed Rail Commission conducted prior to January 1, 1997. The plan shall include an appropriate network of conventional intercity passenger rail service and shall be coordinated with existing and planned commuter and urban rail systems.

(a) The authorization and responsibility for planning, construction, and operation of high-speed passenger train service at speeds exceeding 125 miles per hour in this state is exclusively granted to the authority.

(b) Except as provided in paragraph (2), nothing in this subdivision precludes other local, regional, or state agencies from exercising powers provided by law with regard to planning or operating, or both, passenger rail service.

SEC. 167. Section 8352.4 of the Revenue and Taxation Code is amended to read:

8352.4. (a) Subject to Sections 8352 and 8352.1, and except as otherwise provided in subdivision (b), there shall be transferred from the money deposited to the credit of the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund, for expenditure in accordance with Division 1 (commencing with Section 30) of the Harbors and Navigation Code, the sum of six million six hundred thousand dollars ($6,600,000) per annum, representing the amount of money in the Motor Vehicle Fuel Account attributable to taxes imposed on distributions of motor vehicle fuel used or usable in propelling vessels. The actual amount shall be calculated using the annual reports of registered boats prepared by the Department of Motor Vehicles for the United States Coast Guard and the formula and method of the December 1972 report prepared for this purpose and submitted to the Legislature on December 26, 1972, by the Director of Transportation. If the amount transferred during each fiscal year is in excess of the calculated amount, the excess shall be retransferred from the Harbors and Watercraft Revolving Fund to the Motor Vehicle Fuel Account. If the amount transferred is less than the amount calculated, the difference shall be transferred from the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund. No adjustment shall be made if the computed difference is less than fifty thousand dollars ($50,000), and the amount shall be adjusted to reflect any temporary or permanent increase or decrease that

may be made in the rate under the Motor Vehicle Fuel Tax Law. Payments pursuant to this section shall be made prior to payments pursuant to Section 8352.2.

(b) Commencing July 1, 2012, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Harbors and Watercraft Revolving Fund pursuant to subdivision (a) shall instead be transferred to the General Fund. The revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 that were deposited in the Harbors and Watercraft Revolving Fund in the 2010–11 and 2011–12 fiscal years shall be transferred to the General Fund.

SEC. 168. Section 10752.2 of the Revenue and Taxation Code is amended to read:

10752.2. (a) For initial or renewal registrations due on and after May 19, 2009, but before July 1, 2011, in addition to the annual license fee for a vehicle, other than a commercial motor vehicle described in Section 9400.1 of the Vehicle Code, imposed pursuant to Sections 10752 and 10752.1, a sum equal to 0.15 percent of the market value of the vehicle as determined by the department, shall be added to that annual fee.

(b) Notwithstanding Chapter 5 (commencing with Section 11001) or any other law to the contrary, all revenues (including penalties), less refunds, derived from fees collected pursuant to subdivision (a) shall be deposited in the General Fund and transferred to the Local Safety and Protection Account, which is hereby established in the Transportation Tax Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the account are hereby continuously appropriated, without regard to fiscal year, to the Controller for allocation pursuant to Sections 29553, 30061, and 30070 of the Government Code, Section 13821 of the Penal Code, and Sections 18220 and 18220.1 of the Welfare and Institutions Code. All revenue derived from subdivision (a) that is received after June 30, 2011, shall be deemed to have been received during the 2010–11 fiscal year for purposes of allocation by the Controller.

SEC. 169. Section 97 of the Streets and Highways Code is amended to read:

97. (a) A state highway segment shall be designated by the department as a Safety Enhancement-Double Fine Zone if all of the following conditions have been satisfied:

(1) The highway segment is eligible for designation pursuant to subdivision (b).

(2) The Director of Transportation, in consultation with the Commissioner of the California Highway Patrol, certifies that the segment identified in subdivision (b) meets all of the following criteria:

(A) The highway segment is a conventional highway or expressway and is part of the state highway system.

(B) The rate of total collisions per mile per year on the segment under consideration has been at least 1.5 times the statewide average for similar

roadway types during the most recent three-year period for which data are available.

(C) The rate of head-on collisions per mile per year on the segment under consideration has been at least 1.5 times the statewide average for similar roadway types during the most recent three-year period for which data are available.

(3) The Department of the California Highway Patrol or local agency having traffic enforcement jurisdiction, as the case may be, has concurred with the designation.

(4) The governing board of each city, or county with respect to an unincorporated area, in which the segment is located has by resolution indicated that it supports the designation.

(5) An active public awareness effort to change driving behavior is ongoing either by the local agency with jurisdiction over the segment or by another state or local entity.

(6) Other traffic safety enhancements, including, but not limited to, increased enforcement and other roadway safety measures, are in place or are being implemented concurrent with the designation of the Safety Enhancement-Double Fine Zone.

(b) The following segments are eligible for designation as a Safety Enhancement-Double Fine Zone pursuant to subdivision (a):

State Highway Route 12 between the State Highway Route 80 junction in Solano County and the State Highway Route 5 junction in San Joaquin County.

(c) Designation of a segment as a Safety Enhancement-Double Fine Zone by the department pursuant to subdivision (a) shall be done in writing and a written notification shall be provided to the court with jurisdiction over the area in which the highway segment is located. The designation shall be valid for a minimum of two years from the date of submission to the court.

(d) After the two-year period, and at least every two years thereafter, the department, in consultation with the Department of the California Highway Patrol, shall evaluate whether the highway segment continues to meet the conditions set forth in subdivision (a). If the segment meets those conditions, the department shall renew the designation in which case an updated notification shall be sent to the court. If the department, in consultation with the Department of the California Highway Patrol, determines that any of those conditions no longer apply to a segment designated as a Safety Enhancement-Double Fine Zone under this section, the department shall revoke the designation and the segment shall cease to be a Safety Enhancement-Double Fine Zone.

(e) A Safety Enhancement-Double Fine Zone is subject to the rules and regulations adopted by the department prescribing uniform standards for warning signs to notify motorists that, pursuant to Section 42010 of the Vehicle Code, increased penalties apply for traffic violations that are committed within a Safety Enhancement-Double Fine Zone.

(f) (1) The department or the local authority having jurisdiction over these highway and road segments shall place and maintain the warning signs

identifying these segments by stating that a "Special Safety Zone Region Begins Here" and a "Special Safety Zone Ends Here."

(2) Increased penalties shall apply to violations under Section 42010 of the Vehicle Code only if appropriate signage is in place pursuant to this subdivision.

(3) If designation as a Safety Enhancement-Double Fine Zone is revoked pursuant to subdivision (d), the department shall be responsible for removal of all signage placed pursuant to this subdivision.

(g) Safety Enhancement-Double Fine Zones do not increase the civil liability of the state or local authority having jurisdiction over the highway segment under Division 3.6 (commencing with Section 810) of Title 1 of the Government Code or any other provision of law relating to civil liability.

(1) Only the base fine shall be enhanced pursuant to this section.

(2) Notwithstanding any other provision of law, any additional penalty, forfeiture, or assessment imposed by any other statute shall be based on the amount of the base fine before enhancement or doubling and shall not be based on the amount of the enhanced fine imposed pursuant to this section.

(h) The projects specified as a Safety Enhancement-Double Fine Zone shall not be elevated in priority for state funding purposes.

(i) The requirements of subdivision (a) shall not apply to the Safety Enhancement-Double Fine Zone established prior to the effective date of this subdivision pursuant to Section 97.4 or to the Safety Enhancement-Double Fine Zones established pursuant to Section 97.5.

SEC. 170. Section 164.56 of the Streets and Highways Code is amended to read:

164.56. (a) It is the intent of the Legislature to allocate ten million dollars ($10,000,000) annually to the Environmental Enhancement and Mitigation Program Fund, which is hereby created.

(b) Local, state, and federal agencies and nonprofit entities may apply for and may receive grants, not to exceed five million dollars ($5,000,000) for any single grant, to undertake environmental enhancement and mitigation projects that are directly or indirectly related to the environmental impact of modifying existing transportation facilities or for the design, construction, or expansion of new transportation facilities.

(c) Projects eligible for funding include, but are not limited to, all of the following:

(1) Highway landscaping and urban forestry projects designed to offset vehicular emissions of carbon dioxide.

(2) Acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for proposed transportation improvements.

(3) Roadside recreational opportunities, including roadside rests, trails, trailheads, and parks.

(4) Projects to mitigate the impact of proposed transportation facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the scope of the lead agency responsible

for assessing the environmental impact of the proposed transportation improvement.

(d) Grant proposals shall be submitted to the Resources Agency for evaluation in accordance with procedures and criteria prescribed by the Resources Agency. The Resources Agency shall evaluate proposals submitted to it and prepare a list of proposals recommended for funding. The list may be revised at any time. Prior to including a proposal on the list, the Resources Agency shall make a finding that the proposal is eligible for funding pursuant to subdivision (f).

(e) Within the fiscal limitations of subdivisions (a) and (b), the commission shall annually award grants to fund proposals that are included on the list prepared by the Resources Agency pursuant to subdivision (d).

(f) Projects funded pursuant to this section shall be projects that contribute to mitigation of the environmental effects of transportation facilities, as provided for by Section 1 of Article XIX of the California Constitution.

SEC. 171. Section 182.8 of the Streets and Highways Code is amended to read:

182.8. (a) It is the intent of the Legislature that this program help increase flexibility in the use of state and federal funding to complete transportation improvements. The ability to exchange certain federal funds for state funds may enhance that flexibility. However, it is the intent of the Legislature that the commission make these exchanges only if the exchanges do not compromise other state funded projects or activities.

(b) The commission shall propose guidelines and procedures to implement this section, hold a public hearing on the guidelines, and adopt the guidelines on or before February 1, 2001. The commission shall begin the exchange program on or before February 1, 2001, if it determines that funding is available for that purpose. The commission may amend its guidelines after holding a public hearing, but may not amend the guidelines between the time it notifies regional transportation planning agencies of the amount of state funds available for exchange and its approval of projects for exchange in any given year.

(c) On or before January 5 of each year, the department shall report to the commission the amounts apportioned as federal local assistance in the regional surface transportation and congestion mitigation and air quality programs for the year, the Federal Obligation Authority for the year, and the amount of federal funds it expects to be able to obligate for work on projects in all programs on or before September 30 of that year, and the commission, in cooperation with the department, shall determine the amount of state funds from the Traffic Congestion Relief Fund that can be made available for exchange under this section. If the release of federal apportionments and obligational authority is delayed beyond November 1 in any year, all the dates specified in this section shall be extended by an equivalent time, however, all federal funds exchanged shall be obligated on or before September 30 of the current federal fiscal year.

(d) The commission may exchange funds under this section if it determines all of the following:

(1) Adequate state funds are available to accomplish the exchange without putting at risk other transportation activities or projects needing state funds.

(2) Any exchange will be consistent with full implementation of the Traffic Congestion Relief Act of 2000.

(3) Federal funds received in exchange can be readily and effectively used on other projects or activities by the state during the federal fiscal year.

(e) After making the determinations set forth in subdivision (d) the commission may offer to exchange state funds from the Traffic Congestion Relief Fund for federal local assistance funds, subject to the limits imposed under this section. For the purpose of this section, "federal local assistance" funds means regional surface transportation program or congestion mitigation and air quality program apportionments received that federal fiscal year and apportioned as local assistance pursuant to Sections 182.6 and 182.7.

(f) Not later than February 1 of each year, the commission shall notify the regional transportation planning agencies of the amount of state funds available for exchange for federal local assistance funds for that year. The maximum amount of state funds to be exchanged may not exceed 50 percent of the total amount of federal regional surface transportation program and congestion mitigation and air quality program funds apportioned for the current fiscal year as local assistance pursuant to subdivision (b) of Section 182.6 and subdivision (b) of Section 182.7, exclusive of state funds that may be exchanged pursuant to subdivision (g) of Section 182.6, paragraphs (1) and (2) of subdivision (h) of Section 182.6, or Section 182.7. Federal funds exchanged under this program shall be available for projects identified by the commission as ready to obligate during determination of the amount available for exchange. The amount of exchange may not exceed the department's ability to obligate all federal funds during the current federal fiscal year. The commission may not exchange state funds for regional surface transportation program funds required to be spent for transportation enhancements. This section does not affect the amount of exchange under subdivision (g) of Sections 182.6, or paragraphs (1) and (2) of subdivision (h) of Section 182.6.

(g) Regional transportation planning agencies may submit applications for exchange of funds to the commission not later than March 15 of each year. Applications shall identify the proposed use for the exchange funds, including project descriptions, cost estimates, scopes of work, schedules for construction, schedules for expenditures, and any other information required by the commission. The commission may require a region to identify priorities among applications it submits.

(h) If the commission receives applications for more exchange funds than the amount of state funds available, the commission shall select projects for exchange up to the amount of state funds available. The commission shall explain the criteria it uses to select projects, which shall include, but are not limited to, all of the following:

(1) Removal of all federal funds from projects.

(2) Assessment of projects that would benefit most from removal of federal funding because of size, type, location, agency capability, features, or federal requirements.

(3) Approximate relative equity within the program among regions in receiving state exchange funds over a multiyear period.

(i) The commission may exchange state funds for federal local assistance funds with agencies requesting exchanges. Agencies wishing to exchange their federal funds shall provide apportionments and obligation authority at the same rate the Federal Highway Administration distributes obligation authority. Agencies exchanging federal funds shall receive funds equal to 90 percent of the obligation authority exchanged. The commission shall approve exchanges of funds not later than its second regularly scheduled meeting following March 15 each year.

(j) The commission shall determine an exchange payment schedule based on expenditure plans. The commission may suspend exchange payment schedules if it determines projects are not proceeding.

(k) For financial display and reporting purposes, obligational authority received pursuant to this section shall be reported as a revenue accrual in the Traffic Congestion Relief Fund in the year in which the exchange is approved under subdivision (i). Funds approved for exchange shall be accrued as expenditures in the year in which the exchange is approved. Notwithstanding Section 16362 of the Government Code, the department shall repay from the State Highway Account to the Traffic Congestion Relief Fund all funds received as federal reimbursements for funds exchanged under this section as they are received from the Federal Highway Administration, except that those repayments are not required to be made more frequently than on a quarterly basis.

(*l*) State funds provided through an exchange under this section shall be encumbered within one year and expended within three years.

(m) Upon adoption of its implementing guidelines, the commission may consider requests for exchanges under this section.

(n) Regional and local agencies shall use state exchange funds only for projects or purposes for which the federal local assistance funds being exchanged were originally intended, and may not supplant local funds on projects in order that those local funds can subsequently be used for nontransportation purposes. The commission may require agencies to certify that they are meeting this requirement. Agencies not meeting this maintenance of effort requirement may not be allowed to participate in the next exchange cycle.

(o) Not later than the effective date of the reauthorization of the federal surface transportation act, the commission shall submit a report to the Governor and the Legislature recommending any changes in the exchange program necessitated by that reauthorization.

SEC. 172. Section 2424 of the Streets and Highways Code is amended to read:

2424. (a) The department, metropolitan planning organizations, county transportation commissions, regional transportation planning agencies,

counties, cities, and a city and county shall comply with all reporting requirements to the Federal Highway Administration (FHWA) established in federal law regarding funds made available under the American Recovery and Reinvestment Act of 2009.

(b) In complying with the requirements of subdivision (a), the department, metropolitan planning organizations, county transportation commissions, regional transportation planning agencies, counties, cities, and a city and county shall provide the same data they provide to the FHWA to the department under the same timelines required by the FHWA or federal law. Regional entities shall include in the data provided to the department information on the use of federal funds made available under the American Recovery and Reinvestment Act of 2009 that were suballocated to cities and counties within their jurisdiction.

(c) All jurisdictions that received and obligated or expended federal funds for transportation enhancement activities pursuant to federal law and this chapter shall include in the data they provide to the department pursuant to subdivision (b) a description of the number, value, and type of project that involved the participation of a community conservation corps or the California Conservation Corps.

SEC. 173. Section 30161.5 of the Streets and Highways Code is amended to read:

30161.5. (a) For any bridge at which an automatic vehicle identification system, as described in this section, has been installed and is in operation, the department may waive the requirement that the holder of a credit permit furnish and maintain a surety bond. The automatic vehicle identification system shall have the capability of identifying each vehicle operating under the permit and of tabulating the number of bridge crossings by those vehicles. This section does not affect the authority of the department under Section 30796.8.

(b) The department shall notify the Legislature of the date upon which it commences operation of the system described in subdivision (a) on any bridge other than the bridge described in Section 30796.

(c) This section shall become inoperative five years from the date specified by the department pursuant to subdivision (b), and as of January 1 next following that date is repealed, unless a later enacted statute, which becomes effective on or before that January 1, deletes or extends that date.

SEC. 174. Section 9907 of the Unemployment Insurance Code is repealed.

SEC. 175. Section 15002 of the Unemployment Insurance Code is amended to read:

15002. (a) The California Workforce Investment Board (CWIB) shall establish a special committee known as the Green Collar Jobs Council (GCJC), comprised of the appropriate representatives from the CWIB existing membership, including the K–12 representative, the California Community Colleges representative, the Business, Transportation and Housing Agency representative, the Employment Development Department representative, and other appropriate members. The GCJC may consult with

other state agencies, other higher education representatives, local workforce investment boards, and industry representatives as well as philanthropic, nongovernmental, and environmental groups, as appropriate, in the development of a strategic initiative. To the extent private funds are available, is the intent of the Legislature that the GCJC will develop an annual award for outstanding achievement for workforce training programs operated by local or state agencies, businesses, or nongovernment organizations to be named after Parrish R. Collins.

(b) As part of the strategic initiative, the GCJC shall focus on developing the framework, funding, strategies, programs, policies, partnerships, and opportunities necessary to address the growing need for a highly skilled and well-trained workforce to meet the needs of California's emerging green economy. The GCJC shall do all of the following:

(1) Assist in identifying and linking green collar job opportunities with workforce development training opportunities in local workforce investment areas (LWIAs), encouraging regional collaboration among LWIAs to meet regional economic demands.

(2) Align workforce development activities with regional economic recovery and growth strategies.

(3) Develop public, private, philanthropic, and nongovernmental partnerships to build and expand the state's workforce development programs, network, and infrastructure.

(4) Provide policy guidance for job training programs for the clean and green technology sectors to help them prepare specific populations, such as at-risk youth, displaced workers, veterans, formerly incarcerated individuals, and others facing barriers to employment.

(5) Develop, collect, analyze, and distribute statewide and regional labor market data on California's new and emerging green industries workforce needs, trends, and job growth.

(6) Collaborate with community colleges and other educational institutions, registered apprenticeship programs, business and labor organizations, and community-based and philanthropic organizations to align workforce development services with strategies for regional economic growth.

(7) Identify funding resources and make recommendations on how to expand and leverage these funds.

(8) Foster regional collaboratives in the green economic sector.

(c) The CWIB may accept any revenues, moneys, grants, goods, or services from federal and state entities, philanthropic organizations, and other sources, to be used for purposes relating to the administration and implementation of the strategic initiative, as described in subdivision (b). The CWIB shall also ensure the highest level of transparency and accountability and make information available on the CWIB Internet Web site.

(d) Upon appropriation by the Legislature, the department may expend the moneys and revenues received pursuant to subdivision (c) for purposes related to the administration and implementation of the strategic initiative,

and for the award of workforce training grants implementing the strategic initiative.

SEC. 176. Section 9250.7 of the Vehicle Code is amended to read:

9250.7. (a) (1) A service authority established under Section 22710 may impose a service fee of one dollar ($1) on all vehicles, except vehicles described in subdivision (a) of Section 5014.1, registered to an owner with an address in the county that established the service authority. The fee shall be paid to the department at the time of registration, or renewal of registration, or when renewal becomes delinquent, except on vehicles that are expressly exempted under this code from the payment of registration fees.

(2) In addition to the one-dollar ($1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles subject to Section 9400.1 registered to an owner with an address in the county that established a service authority under this section shall pay an additional service fee of two dollars ($2).

(b) The department, after deducting its administrative costs, shall transmit, at least quarterly, the net amount collected pursuant to subdivision (a) to the Treasurer for deposit in the Abandoned Vehicle Trust Fund, which is hereby created. All money in the fund is continuously appropriated to the Controller for allocation to a service authority that has an approved abandoned vehicle abatement program pursuant to Section 22710, and for payment of the administrative costs of the Controller. After deduction of its administrative costs, the Controller shall allocate the money in the Abandoned Vehicle Trust Fund to each service authority in proportion to the revenues received from the fee imposed by that authority pursuant to subdivision (a). If any funds received by a service authority pursuant to this section are not expended to abate abandoned vehicles pursuant to an approved abandoned vehicle abatement program that has been in existence for at least two full fiscal years within 90 days of the close of the fiscal year in which the funds were received and the amount of those funds exceeds the amount expended by the service authority for the abatement of abandoned vehicles in the previous fiscal year, the fee imposed pursuant to subdivision (a) shall be suspended for one year, commencing on July 1 following the Controller's determination pursuant to subdivision (e).

(c) Every service authority that imposes a fee authorized by subdivision (a) shall issue a fiscal yearend report to the Controller on or before October 31 of each year summarizing all of the following:

(1) The total revenues received by the service authority during the previous fiscal year.

(2) The total expenditures by the service authority during the previous fiscal year.

(3) The total number of vehicles abated during the previous fiscal year.

(4) The average cost per abatement during the previous fiscal year.

(5) Any additional, unexpended fee revenues for the service authority during the previous fiscal year.

(6) The number of notices to abate issued to vehicles during the previous fiscal year.

(7) The number of vehicles disposed of pursuant to an ordinance adopted pursuant to Section 22710 during the previous fiscal year.

(8) The total expenditures by the service authority for towing and storage of abandoned vehicles during the previous fiscal year.

(d) Each service authority that fails to submit the report required pursuant to subdivision (c) by October 31 of each year shall have its fee pursuant to subdivision (a) suspended for one year commencing on July 1 following the Controller's determination pursuant to subdivision (e).

(e) On or before January 1 annually, the Controller shall review the fiscal yearend reports, submitted by each service authority pursuant to subdivision (c) and due no later than October 31, to determine if fee revenues are being utilized in a manner consistent with the service authority's approved program. If the Controller determines that the use of the fee revenues is not consistent with the service authority's program as approved by the Department of the California Highway Patrol, or that an excess of fee revenues exists, as specified in subdivision (b), the authority to collect the fee shall be suspended for one year pursuant to subdivision (b). If the Controller determines that a service authority has not submitted a fiscal yearend report as required in subdivision (c), the authorization to collect the service fee shall be suspended for one year pursuant to subdivisions (b) and (d). The Controller shall inform the Department of Motor Vehicles on or before January 1 annually, that the authority to collect the fee is suspended. A suspension shall only occur if the service authority has been in existence for at least two full fiscal years and the revenue fee surpluses are in excess of those allowed under this section, the use of the fee revenue is not consistent with the service authority's approved program, or the required fiscal yearend report has not been submitted by October 31.

(f) On or before January 1, 2010, and biennially thereafter, the service authority shall have a financial audit of the service authority conducted by a qualified independent third party.

(g) The fee imposed by a service authority shall remain in effect only for a period of 10 years from the date that the actual collection of the fee commenced unless the fee is extended pursuant to this subdivision. The fee may be extended in increments of up to 10 years each if the board of supervisors of the county, by a two-thirds vote, and a majority of the cities having a majority of the incorporated population within the county adopt resolutions providing for the extension of the fee.

SEC. 177. Section 9250.14 of the Vehicle Code is amended to read:

9250.14. (a) (1) In addition to any other fees specified in this code and the Revenue and Taxation Code, upon the adoption of a resolution by any county board of supervisors, a fee of one dollar ($1) shall be paid at the time of registration or renewal of registration of every vehicle, except vehicles described in subdivision (a) of Section 5014.1, registered to an address within that county except those expressly exempted from payment of registration fees. The fees, after deduction of the administrative costs

incurred by the department in carrying out this section, shall be paid quarterly to the Controller.

(2) In addition to the one-dollar ($1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles subject to Section 9400.1 registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars ($2).

(b) Notwithstanding Section 13340 of the Government Code, the money paid to the Controller is continuously appropriated, without regard to fiscal years, for the administrative costs of the Controller, and for disbursement by the Controller to each county that has adopted a resolution pursuant to subdivision (a), based upon the number of vehicles registered, or whose registration is renewed, to an address within that county.

(c) Except as otherwise provided in this subdivision, money allocated to a county pursuant to subdivision (b) shall be expended exclusively to fund programs that enhance the capacity of local police and prosecutors to deter, investigate, and prosecute vehicle theft crimes. In any county with a population of 250,000 or less, the money shall be expended exclusively for those vehicle theft crime programs and for the prosecution of crimes involving driving while under the influence of alcohol or drugs, or both, in violation of Section 23152 or 23153, or vehicular manslaughter in violation of Section 191.5 or subdivision (c) of Section 192 of the Penal Code, or any combination of those crimes.

(d) Money collected pursuant to this section shall not be expended to offset a reduction in any other source of funds, nor for any purpose not authorized under this section.

(e) Any funds received by a county prior to January 1, 2000, pursuant to this section, that are not expended to deter, investigate, or prosecute crimes pursuant to subdivision (c) shall be returned to the Controller, for deposit in the Motor Vehicle Account in the State Transportation Fund. Those funds received by a county shall be expended in accordance with this section.

(f) Each county that adopts a resolution under subdivision (a) shall submit, on or before the 13th day following the end of each quarter, a quarterly expenditure and activity report to the designated statewide Vehicle Theft Investigation and Apprehension Coordinator in the Department of the California Highway Patrol.

(g) A county that imposes a fee under subdivision (a) shall issue a fiscal year-end report to the Controller on or before August 31 of each year. The report shall include a detailed accounting of the funds received and expended in the immediately preceding fiscal year, including, at a minimum, all of the following:

(1) The total revenues received by the county under subdivision (b) for the immediately preceding fiscal year.

(2) The total expenditures by the county under subdivision (c) for the immediately preceding fiscal year.

(3) Details of expenditures made by the county under subdivision (c), including salaries and expenses, purchase of equipment and supplies, and any other expenditures made listed by type with an explanatory comment.

(4) A summary of vehicle theft abatement activities and other vehicle theft programs funded by the fees collected under this section.

(5) The total number of stolen vehicles recovered and the value of those vehicles during the immediately preceding fiscal year.

(6) The total number of vehicles stolen during the immediately preceding fiscal year as compared to the fiscal year prior to the immediately preceding fiscal year.

(7) Any additional, unexpended fee revenues received under subdivision (b) for the county for the immediately preceding fiscal year.

(h) Each county that fails to submit the report required pursuant to subdivision (g) by November 30 of each year shall have the fee suspended by the Controller for one year, commencing on July 1 following the Controller's determination that a county has failed to submit the report.

(i) (1) On or before January 1, 2006, and on or before January 1 annually thereafter, the Controller shall provide to the Department of the California Highway Patrol copies of the yearend reports submitted by the counties under subdivision (g), and, in consultation with the Department of the California Highway Patrol, shall review the fiscal yearend reports submitted by each county pursuant to subdivision (g) to determine if fee revenues are being utilized in a manner consistent with this section. If the Controller determines that the use of the fee revenues is not consistent with this section, the Controller shall consult with the participating counties' designated regional coordinators. If the Controller determines that the fee revenues are still not consistent with this section, the authority to collect the fee by that county shall be suspended for one year.

(2) If the Controller determines that a county has not submitted a fiscal yearend report as required in subdivision (g), the authorization to collect the service fee shall be suspended for one year pursuant to subdivision (h).

(3) When the Controller determines that a fee shall be suspended for a county, the Controller shall inform the Department of Motor Vehicles on or before January 1, 2006, and on or before January 1 annually thereafter, that the authority to collect a fee for that county is suspended.

(j) The Department of the California Highway Patrol, in consultation with all participating county designated regional coordinators, shall review the effectiveness of reducing vehicle theft crimes that were funded by the fees imposed by this section. The Department of the California Highway Patrol shall provide a report based on that review and, on or before January 1, 2009, shall submit that report to the Legislature.

(k) For the purposes of this section, a county designated regional coordinator is that agency designated by the participating county's board of supervisors as the agency in control of its countywide vehicle theft apprehension program.

(*l*) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute that is enacted on or before January 1, 2018, deletes or extends that date.

SEC. 178. Section 9250.19 of the Vehicle Code is amended to read:

9250.19. (a) (1) In addition to any other fees specified in this code and the Revenue and Taxation Code, upon the adoption of a resolution pursuant to this subdivision by any county board of supervisors, a fee of one dollar ($1) shall be paid at the time of registration, renewal, or supplemental application for apportioned registration pursuant to Article 4 (commencing with Section 8050) of Chapter 4 of every vehicle, except vehicles described in subdivision (a) of Section 5014.1, registered to an address within that county except those expressly exempted from payment of registration fees. The fees, after deduction of the administrative costs incurred by the department in carrying out this section, shall be paid quarterly to the Controller.

(2) In addition to the one-dollar ($1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles subject to Section 9400.1 registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars ($2).

(3) A resolution adopted pursuant to paragraph (1) shall include findings as to the purpose of, and the need for, imposing the additional registration fee.

(b) Notwithstanding Section 13340 of the Government Code, the money paid to the Controller pursuant to subdivision (a) is continuously appropriated, without regard to fiscal years, for disbursement by the Controller to each county that has adopted a resolution pursuant to subdivision (a), based upon the number of vehicles registered, or whose registration is renewed, to an address within that county, or supplemental application for apportioned registration, and for the administrative costs of the Controller incurred under this section.

(c) Money allocated to a county pursuant to subdivision (b) shall be expended exclusively to fund programs that enhance the capacity of local law enforcement to provide automated mobile and fixed location fingerprint identification of individuals who may be involved in driving under the influence of alcohol or drugs in violation of Section 23152 or 23153, or vehicular manslaughter in violation of Section 191.5 of the Penal Code or subdivision (c) of Section 192 of the Penal Code, or any combination of those and other vehicle-related crimes, and other crimes committed while operating a motor vehicle.

(d) The data from a program funded pursuant to subdivision (c) shall be made available by the local law enforcement agency to a local public agency that is required by law to obtain a criminal history background of persons as a condition of employment with that local public agency. A local law enforcement agency that provides the data may charge a fee to cover its actual costs in providing that data.

(e) (1) Money collected pursuant to this section shall not be used to offset a reduction in any other source of funds for the purposes authorized under this section.

(2) Funds collected pursuant to this section, upon recommendation of local or regional Remote Access Network Boards to the board of supervisors, shall be used exclusively for the purchase, by competitive bidding procedures, and the operation of equipment that is compatible with the Department of Justice's Cal-ID master plan, as described in Section 11112.2 of the Penal Code, and the equipment shall interface in a manner that is in compliance with the requirement described in the Criminal Justice Information Services, Electronic Fingerprint Transmission Specification, prepared by the Federal Bureau of Investigation and dated August 24, 1995.

(f) Every county that has authorized the collection of the fee pursuant to subdivision (a) shall issue a fiscal yearend report to the Controller on or before November 1 of each year, summarizing all of the following with respect to those fees:

(1) The total revenues received by the county for the fiscal year.

(2) The total expenditures and encumbered funds by the county for the fiscal year. For purposes of this subdivision, "encumbered funds" means funding that is scheduled to be spent pursuant to a determined schedule and for an identified purchase consistent with this section.

(3) Any unexpended or unencumbered fee revenues for the county for the fiscal year.

(4) The estimated annual cost of the purchase, operation, and maintenance of automated mobile and fixed location fingerprint equipment, related infrastructure, law enforcement enhancement programs, and personnel created or utilized in accordance with this section for the fiscal year. The listing shall detail the make and model number of the equipment, and include a succinct description of the related infrastructure items, law enforcement enhancement programs, and the classification or title of any personnel.

(5) How the use of the funds benefits the motoring public.

(g) For each county that fails to submit the report required pursuant to subdivision (f) by November 1 of each year, the Controller shall notify the Department of Motor Vehicles to suspend the fee for that county imposed pursuant to subdivision (a) for one year.

(h) If any funds received by a county pursuant to subdivision (a) are not expended or encumbered in accordance with this section by the close of the fiscal year in which the funds were received, the Controller shall notify the Department of Motor Vehicles to suspend the fee for that county imposed pursuant to subdivision (a) for one year. For purposes of this subdivision, "encumbered funds" means funding that is scheduled to be spent pursuant to a determined schedule and for an identified purchase consistent with this section.

SEC. 179. Section 138.9 of the Water Code is repealed.

SEC. 180. Section 162 of the Water Code is amended to read:

162. It is the intention of the Legislature that in the making of all major departmental determinations, policies and procedures, such as departmental

recommendations to the Legislature, the director and the California Water Commission shall be in agreement whenever possible; but for the purpose of fixing responsibility to the Governor and to the Legislature, in the event of disagreement between the director and the commission upon such matters, the views of the director shall prevail.

SEC. 181. Section 1228.2 of the Water Code is amended to read:

1228.2. (a) (1) Subject to subdivision (b), any person may obtain a right to appropriate water for a small domestic, small irrigation, or livestock stockpond use upon first registering the use with the board and thereafter applying the water to reasonable and beneficial use with due diligence.

(2) With regard to an appropriation for small domestic use, a registration shall not be filed for a facility served by or used pursuant to a permit or license for domestic or municipal use, and not more than one small domestic use registration shall be in effect at any time for any facility.

(3) With regard to an appropriation for small irrigation use, more than one registration may be in effect at any time for a registrant if the diversion or storage facilities subject to registration for a registrant do not exceed the ratio of one per 20 irrigated acres, and if the total water use on all acreage covered by the registrations, including any water use based on other rights, does not exceed 100 acre-feet per annum.

(4) A small domestic use registration and a small irrigation use registration may be in effect for the same facility only if the total combined water use covered by the registrations does not exceed 20 acre-feet per annum.

(5) With regard to an appropriation for livestock stockpond use, more than one registration may be in effect at any time for a registrant if stockponds subject to registration for that registrant do not exceed the ratio of one per 50 acres.

(b) Initiation of rights to appropriate water pursuant to this article shall be subject to Article 1.3 (commencing with Section 1205), relating to fully appropriated stream systems. The board shall not accept any registration of water use which proposes as a source of water supply any stream system which has been unconditionally declared by the board to be fully appropriated pursuant to Section 1205, except that subdivision (b) of Section 1206, relating to conditional declarations of fully appropriated stream systems, shall apply to registration of water use pursuant to this article, and the board shall accept those registrations where consistent with the conditions specified in any such declaration.

(c) On or before June 30, 1989, and annually thereafter, the Division of Water Rights shall prepare and post on its Internet Web site information summarizing the location, nature, and amount of water appropriated pursuant to this article. The information shall include a description of the availability of unappropriated water in those stream systems which may become fully appropriated within the next reporting period.

(d) If a registration is filed with a source of supply on a stream system that the most recent report submitted under subdivision (c) identifies as a stream system that may become fully appropriated within the next reporting

period, the registration shall not take effect unless the board finds that unappropriated water is available for the appropriation proposed by the registration. If the board finds that unappropriated water is not available to supply the proposed appropriation, the board shall, following notice and hearing, determine whether that stream system should be declared fully appropriated pursuant to Article 1.3 (commencing with Section 1205).

SEC. 182. Section 13369 of the Water Code is amended to read:

13369. (a) The state board, in consultation with the regional boards, the California Coastal Commission, and other appropriate state agencies and advisory groups, as necessary, shall prepare a detailed program for the purpose of implementing the state's nonpoint source management plan. The board shall address all applicable provisions of the Clean Water Act, including Section 319 (33 U.S.C. Sec. 1329), as well as Section 6217 of the federal Coastal Zone Act Reauthorization Amendments of 1990 (16 U.S.C. Sec. 1455b), and this division in the preparation of this detailed implementation program.

(b) (1) The program shall include all of the following components:

(A) Nonregulatory implementation of best management practices.

(B) Regulatory-based incentives for best management practices.

(C) The adoption and enforcement of waste discharge requirements that will require the implementation of best management practices.

(2) In connection with its duties under this subdivision to prepare and implement the state's nonpoint source management plan, the state board shall develop, on or before February 1, 2001, guidance to be used by the state board and the regional boards for the purpose of describing the process by which the state board and the regional boards will enforce the state's nonpoint source management plan, pursuant to this division.

SEC. 183. Section 13396.9 of the Water Code is amended to read:

13396.9. (a) The California Coastal Commission and the Los Angeles Regional Water Quality Control Board shall establish and participate in the multiagency Los Angeles Basin Contaminated Sediments Task Force, in cooperation with all interested parties, including, but not limited to, the United States Environmental Protection Agency, the United States Army Corps of Engineers, the Port of Long Beach, and the Port of Los Angeles.

(b) (1) On or before January 1, 2005, the California Coastal Commission shall, based upon the recommendations of the task force, develop a long-term management plan for the dredging and disposal of contaminated sediments in the coastal waters adjacent to the County of Los Angeles. The plan shall include identifiable goals for the purpose of minimizing impacts to water quality, fish, and wildlife through the management of sediments. The plan shall include measures to identify environmentally preferable, practicable disposal alternatives, promote multiuse disposal facilities and beneficial reuse, and support efforts for watershed management to control contaminants at their source.

(2) The California Coastal Commission and the Los Angeles Regional Water Quality Control Board shall seek to enter into an agreement with the United States Environmental Protection Agency and the United States Army

Corps of Engineers for those federal agencies to participate in the preparation of the long-term management plan.

(c) The California Coastal Commission and the Los Angeles Regional Water Quality Control Board, in cooperation with the task force, shall conduct not less than one annual public workshop to review the status of the plan and to promote public participation.

SEC. 184. Section 78684.13 of the Water Code is repealed.

SEC. 185. Section 79083 of the Water Code is amended to read:

79083. A grant recipient shall submit to the board a report upon the completion of the project or activity funded under this article. The report shall summarize the completed project and identify additional steps necessary to achieve the purposes of the local watershed management plan. The board shall make the report available to interested federal, state, and local agencies and other interested parties.

SEC. 186. Section 79555 of the Water Code is amended to read:

79555. For the 2004–05 fiscal year, and each fiscal year thereafter, not less than 50 percent of the funds made available pursuant to subdivision (d) of Section 79550 for acquisition of water for the CALFED environmental water account shall be expended for long-term water purchase contracts, permanent water rights, and associated costs.

SEC. 187. Chapter 4 (commencing with Section 80250) of Division 27 of the Water Code is repealed.

SEC. 188. Section 1760.8 of the Welfare and Institutions Code is amended to read:

1760.8. (a) The Department of the Youth Authority shall annually develop a population management and facilities master plan presenting projected population and strategies for treatment and housing of wards for the succeeding five-year period. This plan shall set forth the department's strategy for bridging the gap between available bedspace and the projected ward population.

(b) The Department of the Youth Authority may contract with the Department of Corrections or the Office of Project Development and Management within the Department of General Services for professional and construction services related to the construction of facilities or renovation projects included in the Department of the Youth Authority's 1994–99 master plan for which funds are appropriated by the Legislature. The Department of the Youth Authority shall be responsible for program planning and all design decisions. The Department of Corrections or the Department of General Services shall, in consultation with the Department of the Youth Authority, ensure that all facilities are designed and constructed specifically for the needs of the youthful offender population. The Department of the Youth Authority also shall ensure that the design and construction of any facilities are consistent with the mission of the Department of the Youth Authority, which emphasizes the protection of the public from criminal activity and the rehabilitation of youthful offenders by providing education, training, and treatment services for those offenders committed by the courts. Any power, function, or jurisdiction for planning, design, and construction

of facilities or renovation projects pursuant to the 1994–99 master plan that is conferred upon the Department of General Services shall be deemed to be conferred upon the Department of Corrections for purposes of this section. The Director of the Department of General Services may, upon the request of the Director of the Department of Corrections, delegate to the Department of Corrections any power, function, or jurisdiction for planning, design, and construction of any additional projects included within subsequent Department of the Youth Authority master plans.

SEC. 189. Section 4024 of the Welfare and Institutions Code is amended to read:

4024. The State Department of State Hospitals proposed allocations for level-of-care staffing in state hospitals that serve persons with mental disabilities shall be submitted to the Department of Finance for review and approval in July and again on a quarterly basis. Each quarterly report shall include an analysis of client characteristics of admissions and discharges in addition to information on any changes in characteristics of current residents.

The State Department of State Hospitals shall submit by January 1 and May 1 to the Department of Finance for its approval: (a) all assumptions underlying estimates of state hospital mentally disabled population; and (b) a comparison of the actual and estimated population levels for the year to date. If the actual population differs from the estimated population by 50 or more, the department shall include in its reports an analysis of the causes of the change and the fiscal impact. The Department of Finance shall approve or modify the assumptions underlying all population estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by that date, the assumptions, as presented by the submitting department, shall be deemed to be accepted by the Department of Finance as of that date.

SEC. 190. Section 6601 of the Welfare and Institutions Code, as amended by Section 139 of Chapter 24 of the Statutes of 2012, is amended to read:

6601. (a) (1) Whenever the Secretary of the Department of Corrections and Rehabilitation determines that an individual who is in custody under the jurisdiction of the Department of Corrections and Rehabilitation, and who is either serving a determinate prison sentence or whose parole has been revoked, may be a sexually violent predator, the secretary shall, at least six months prior to that individual's scheduled date for release from prison, refer the person for evaluation in accordance with this section. However, if the inmate was received by the department with less than nine months of his or her sentence to serve, or if the inmate's release date is modified by judicial or administrative action, the secretary may refer the person for evaluation in accordance with this section at a date that is less than six months prior to the inmate's scheduled release date.

(2) A petition may be filed under this section if the individual was in custody pursuant to his or her determinate prison term, parole revocation term, or a hold placed pursuant to Section 6601.3, at the time the petition is filed. A petition shall not be dismissed on the basis of a later judicial or

administrative determination that the individual's custody was unlawful, if the unlawful custody was the result of a good faith mistake of fact or law. This paragraph shall apply to any petition filed on or after January 1, 1996.

(b) The person shall be screened by the Department of Corrections and Rehabilitation and the Board of Parole Hearings based on whether the person has committed a sexually violent predatory offense and on a review of the person's social, criminal, and institutional history. This screening shall be conducted in accordance with a structured screening instrument developed and updated by the State Department of State Hospitals in consultation with the Department of Corrections and Rehabilitation. If as a result of this screening it is determined that the person is likely to be a sexually violent predator, the Department of Corrections and Rehabilitation shall refer the person to the State Department of State Hospitals for a full evaluation of whether the person meets the criteria in Section 6600.

(c) The State Department of State Hospitals shall evaluate the person in accordance with a standardized assessment protocol, developed and updated by the State Department of State Hospitals, to determine whether the person is a sexually violent predator as defined in this article. The standardized assessment protocol shall require assessment of diagnosable mental disorders, as well as various factors known to be associated with the risk of reoffense among sex offenders. Risk factors to be considered shall include criminal and psychosexual history, type, degree, and duration of sexual deviance, and severity of mental disorder.

(d) Pursuant to subdivision (c), the person shall be evaluated by two practicing psychiatrists or psychologists, or one practicing psychiatrist and one practicing psychologist, designated by the Director of State Hospitals, one or both of whom may be independent professionals as defined in subdivision (g). If both evaluators concur that the person has a diagnosed mental disorder so that he or she is likely to engage in acts of sexual violence without appropriate treatment and custody, the Director of State Hospitals shall forward a request for a petition for commitment under Section 6602 to the county designated in subdivision (i). Copies of the evaluation reports and any other supporting documents shall be made available to the attorney designated by the county pursuant to subdivision (i) who may file a petition for commitment.

(e) If one of the professionals performing the evaluation pursuant to subdivision (d) does not concur that the person meets the criteria specified in subdivision (d), but the other professional concludes that the person meets those criteria, the Director of State Hospitals shall arrange for further examination of the person by two independent professionals selected in accordance with subdivision (g).

(f) If an examination by independent professionals pursuant to subdivision (e) is conducted, a petition to request commitment under this article shall only be filed if both independent professionals who evaluate the person pursuant to subdivision (e) concur that the person meets the criteria for commitment specified in subdivision (d). The professionals selected to evaluate the person pursuant to subdivision (g) shall inform the person that

the purpose of their examination is not treatment but to determine if the person meets certain criteria to be involuntarily committed pursuant to this article. It is not required that the person appreciate or understand that information.

(g) Any independent professional who is designated by the Secretary of the Department of Corrections and Rehabilitation or the Director of State Hospitals for purposes of this section shall not be a state government employee, shall have at least five years of experience in the diagnosis and treatment of mental disorders, and shall include psychiatrists and licensed psychologists who have a doctoral degree in psychology. The requirements set forth in this section also shall apply to any professionals appointed by the court to evaluate the person for purposes of any other proceedings under this article.

(h) If the State Department of State Hospitals determines that the person is a sexually violent predator as defined in this article, the Director of State Hospitals shall forward a request for a petition to be filed for commitment under this article to the county designated in subdivision (i). Copies of the evaluation reports and any other supporting documents shall be made available to the attorney designated by the county pursuant to subdivision (i) who may file a petition for commitment in the superior court.

(i) If the county's designated counsel concurs with the recommendation, a petition for commitment shall be filed in the superior court of the county in which the person was convicted of the offense for which he or she was committed to the jurisdiction of the Department of Corrections and Rehabilitation. The petition shall be filed, and the proceedings shall be handled, by either the district attorney or the county counsel of that county. The county board of supervisors shall designate either the district attorney or the county counsel to assume responsibility for proceedings under this article.

(j) The time limits set forth in this section shall not apply during the first year that this article is operative.

(k) An order issued by a judge pursuant to Section 6601.5, finding that the petition, on its face, supports a finding of probable cause to believe that the individual named in the petition is likely to engage in sexually violent predatory criminal behavior upon his or her release, shall toll that person's parole pursuant to paragraph (4) of subdivision (a) of Section 3000 of the Penal Code, if that individual is determined to be a sexually violent predator.

(*l*) Pursuant to subdivision (d), the attorney designated by the county pursuant to subdivision (i) shall notify the State Department of State Hospitals of its decision regarding the filing of a petition for commitment within 15 days of making that decision.

(m) (1) On or before January 2, 2010, the department shall report to the Legislature on all of the following:

(A) The costs to the department for the sexual offender commitment program attributable to the provisions in Proposition 83 of the November 2006 general election, otherwise known as Jessica's Law.

(B) The number and proportion of inmates evaluated by the department for commitment to the program as a result of the expanded evaluation and commitment criteria in Jessica's Law.

(C) The number and proportion of those inmates who have actually been committed for treatment in the program.

(2) This section shall remain in effect and be repealed on the date that the director executes a declaration, which shall be provided to the fiscal and policy committees of the Legislature, including the Chairperson of the Joint Legislative Budget Committee, and the Department of Finance, specifying that sufficient qualified state employees have been hired to conduct the evaluations required pursuant to subdivision (d), or January 1, 2013, whichever occurs first.

SEC. 191. Section 10605.2 of the Welfare and Institutions Code is amended to read:

10605.2. If the director believes that a county probation department is substantially failing to comply with any provision of this code or any regulation pertaining to the placement activities required to be performed by the probation department to ensure that the needs of wards in placements whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program are met, and the director determines that formal action may be necessary to secure compliance, he or she shall inform the chief probation officer, the presiding judge of the juvenile court, and the board of supervisors of that failure. The notice to the chief probation officer, the presiding judge of the juvenile court, and board of supervisors shall be in writing and shall allow the county probation department a specified period of time, not less than 30 days, to correct its failure to comply with the law or regulations. If within the specified period the county probation department does not comply or provide reasonable assurances in writing that it will comply within the additional time as the director may allow, the director may take one or both of the following actions:

(a) Bring an action for injunctive relief to secure immediate compliance.

Any county probation department that is found to be failing in a substantial manner to comply with the law or regulations pertaining to placement activities required to be performed by the probation department to ensure that the needs of wards in placement whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program are met, may be enjoined by any court of competent jurisdiction. The court may make orders or judgments as may be necessary to secure county probation department compliance.

(b) Order the county probation department to appear at a hearing before the director to show cause why the director should not take administrative action to secure compliance. The hearing shall be conducted pursuant to the rules and regulations of the department.

If the director determines, based on the record established at the hearing, that the county probation department is failing to comply with the provisions of this code or the regulations pertaining to the placement activities required to be performed by the probation department to ensure that the needs of

wards in placement funded through the Aid to Families with Dependent Children-Foster Care program are met, or if the State Personnel Board certifies to the director that a county probation department is not in conformity with established merit system standards under Part 2.5 (commencing with Section 19800) of Division 5 of Title 2 of the Government Code, and that administrative sanctions are necessary to secure compliance, the director may invoke either of the following sanctions:

(1) Withhold all or part of state and federal funds from the county probation department until the county probation department demonstrates to the director that it has complied.

(2) Assume, temporarily, direct responsibility for fulfilling the placement activities required by law and regulations to ensure that the needs of the wards in placement funded through the Aid to Families with Dependent Children-Foster Care program are met, until the time as the county probation department provides reasonable assurances to the director of its intention and ability to comply. During the period of direct state administrative responsibility, the director or his or her authorized representative shall have all of the powers and responsibilities of the chief probation officer with regard to placement requirements for wards whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program, except that he or she shall not be subject to the authority of the board of supervisors.

In the event that the director invokes sanctions pursuant to this section, the county probation department shall be responsible for providing any funds as may be necessary for the continued fulfillment of placement activities as required by law and regulation for the placement of wards whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program administered on behalf of the department in the county probation department. If a county probation department fails or refuses to provide these funds, including a sufficient amount to reimburse any and all costs incurred by the department in performing the activities required for the placement of wards whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program in the county probation department, the Controller may deduct an amount certified by the director as necessary for the continued operation of these programs by the department from any state or federal funds payable to the county probation department for any purpose.

Nothing in this section shall be construed as preventing a county probation department from seeking judicial review under Section 1094.5 of the Code of Civil Procedure of any final decision of the director made after a hearing conducted under this section. This review shall be the exclusive remedy available to the county probation department for review of the director's decision.

Nothing in this section shall be construed as preventing the director from bringing an action for writ of mandamus or any other action in court as may be appropriate to ensure that there is no interruption in the provision of

benefits to any person eligible therefor under the provisions of this code or the regulations of the department.

SEC. 192. Section 10614.5 of the Welfare and Institutions Code is amended to read:

10614.5. Upon the request of the Joint Legislative Budget Committee, the Department of Finance shall post on its Internet Web site data on monthly caseloads and expenditures for public social services programs supervised by the State Department of Social Services. In addition, this data shall be incorporated into and made an integral part of the budget data system.

SEC. 193. Section 10791 of the Welfare and Institutions Code is amended to read:

10791. The demonstration program provided for in Section 10790 shall, at a minimum, include the following elements:

(a) Uniform 30 percent disregard from gross earned income and waiver of the 100-hour limit on employment for AFDC-Unemployed recipient eligibility.

(b) Uniform definition of allowable child care disregards for full- or part-time care.

(c) It shall not be presumed that any transfer of property made within three months prior to the time the application was made for purposes of becoming eligible for CalFresh.

(d) Exemption of personal loans as property where a reasonable repayment plan is in place. A reasonable repayment plan shall be defined as a statement from the lender specifying that the money shall be paid back at a future point in time when the individual is able to do so.

(e) Use of standard shelter allowances based on local housing prices without verification in lieu of verified shelter costs.

(f) Exclusion from income financial aid and work study payments that are computed based on need consistent with Section 11008.10.

(g) Application of good cause determinations related to late submission of monthly income reports for CalFresh recipients who also receive AFDC benefits.

(h) Qualification as categorically eligible for CalFresh any individual who is apparently eligible for or has been granted AFDC benefits.

(i) Disregarding as income, for CalFresh, the first fifty dollars ($50) of child support received, as currently provided for under the AFDC program, to the extent federal funding is available.

(j) Uniform treatment of room and board income, consistent with AFDC program regulations.

(k) Requirement for signatures on monthly income reports, consistent with AFDC program regulations.

(*l*) Standard deduction for expenses related to self-employment income.

(m) Both programs shall exempt one motor vehicle from property to be considered in determining eligibility.

(n) Both programs shall compute the value of any motor vehicle not exempt from consideration in determining eligibility by subtracting the amount of encumbrances from the fair market value. If an applicant, a

recipient, or a county does not agree with the value of a vehicle arrived at through this methodology, the applicant or recipient shall be entitled to the use of either of the following methods for evaluating the motor vehicle:

(1) Submit three appraisals. An appraisal may be made under this paragraph by a car dealer, insurance adjuster, or a personal property appraiser. The average of the three independent appraisals shall be used by the county in evaluating the motor vehicle.

(2) Obtain an appraisal from a county-appointed appraiser.

(o) Adoption of an exclusion from income for both the AFDC and CalFresh programs of one hundred dollars ($100) per quarter, in lieu of the AFDC nonrecurring gift exclusion and the federal Supplemental Nutrition Assistance Program irregular or infrequent income exclusion.

(p) Standardization of county retention percentages for collection of erroneous payments.

(q) Upon receipt of federal approval of this demonstration project the department, in consultation with the Department of Finance, may delay implementation of any elements determined to be not cost effective until funds are appropriated by the Legislature.

SEC. 194. Section 11265.5 of the Welfare and Institutions Code is amended to read:

11265.5. (a) (1) The department may, subject to the requirements of federal regulations and Section 18204, conduct three pilot projects, to be located in the Counties of Los Angeles, Merced, and Santa Clara, upon approval of the department and the participating counties. The pilot projects shall test the reporting systems described in subparagraphs (A), (B), and (C) of paragraph (4).

(2) (A) The pilot project conducted in Los Angeles County shall test one or both reporting systems described in subparagraphs (A) and (B) of paragraph (4). The pilot project population for each test shall be limited to 10,000 cases.

(B) The pilot projects in the other counties shall test one of the reporting systems described in subparagraph (A) or (C) of paragraph (4) and shall be limited to 2,000 cases per project.

(3) (A) The pilot projects shall be designed and conducted according to standard scientific principles, and shall be in effect for a period of 24 months.

(B) The projects may be extended an additional year upon the approval of the department.

(C) The projects shall be designed to compare the monthly reporting system with alternatives described in paragraph (4) as to all of the following phenomena:

(i) Administrative savings resulting from reduced worker time spent in reviewing monthly reports.

(ii) The amount of cash assistance paid to families.

(iii) The rate of administrative errors in cases and payments.

(iv) The incidence of underpayments and overpayments and the costs to recipients and the administering agencies of making corrective payments and collecting overpayments.

(v) Rates at which recipients lose eligibility for brief periods due to failure to submit a monthly report but file new applications for aid and thereafter are returned to eligible status.

(vi) Cumulative benefits and costs to each level of government and to aid recipients resulting from each reporting system.

(vii) The incidence of, and ability to, prosecute fraud.

(viii) Ease of use by clients.

(ix) Case errors and potential sanction costs associated with those errors.

(4) The pilot projects shall adopt reporting systems providing for one or more of the following:

(A) A reporting system that requires families with no income or whose only income is comprised of old age, survivors, or disability insurance benefits administered pursuant to Subchapter 2 (commencing with Section 401) of Chapter 7 of Title 42 of the United States Code, and with no recent work history to report changes in circumstances that affect eligibility and grant amount as changes occur. These changes shall be reported directly to the county welfare department in person, in writing, or by telephone. In all cases in which monthly reporting is not required, a form advising recipients of what changes must be reported, and how they may be reported shall be provided to recipients of aid along with benefit payments each month.

(B) A reporting system that permits families with no income or whose only income is comprised of old age, survivors, or disability insurance benefits administered pursuant to Subchapter 2 (commencing with Section 401) of Chapter 7 of Title 42 of the United States Code, and with no changes in eligibility criteria, to report electronically monthly, using either an audio response or the CalFresh online issuance and recording system, or a combination of both. Adequate instruction and training shall be provided to county welfare department staff and to recipients who choose to use this system prior to its implementation.

(C) A reporting system that requires all families to report changes in circumstances that affect eligibility and grant amount as changes occur. The changes shall be reported directly to the county welfare department in person, in writing, or by telephone. In all cases in which monthly reporting is not required, a form advising recipients of what changes must be reported, and how they may be reported, shall be provided to recipients of aid along with benefit payments each month.

(b) (1) The participating counties shall be responsible for preparing federal demonstration project proposals, to be submitted by the department, upon the department's review and approval of the proposals, to the federal agency on the counties' behalf. The development, operation, and evaluation of the pilot projects shall not result in an increase in the state allocation of county administrative funds.

(1.5) Each pilot county shall prepare and submit quarterly reports, annual reports, and a final report to the department.

(2) Each quarterly report shall be submitted no later than 30 calendar days after the end of the quarter.

(3) Each annual report shall be submitted no later than 45 days after the end of the year.

(4) (A) Each pilot county shall submit a final report not later than 90 days following completion of the pilot projects required by this section.

(B) (i) As part of the final report, the pilot counties shall prepare and submit evaluations of the pilot projects to the department.

(ii) Each evaluation shall include, but not be limited to, an analysis of the factors set forth in paragraph (3) of subdivision (a) compared to each other and the current reporting systems in both the AFDC program and CalFresh. The final evaluations shall be prepared by an independent consultant or consultants contracted with for that purpose prior to the commencement of the projects.

(c) The department may terminate any or all of the pilot projects implemented pursuant to this section after a period of six months of operation if one or more of the pilot counties submits data to the department, or information is otherwise received, indicating that the pilot project or projects are not costeffective or adversely impact recipients or county or state operations based on the factors set forth in subparagraph (C) of paragraph (3) of subdivision (a).

(d) The pilot projects shall be implemented only upon receipt of the appropriate federal waivers.

SEC. 195. Section 11462 of the Welfare and Institutions Code is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department

is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each RCL has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986–87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, and the single rate established for each RCL.

(e) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed program, and that the provider is willing and able to accept AFDC-FC children for placement

who are determined by the placing agency to need the level of care and services that will be provided by the program.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider, for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the fieldwork portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider, and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed

decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 fiscal years is:

Rate Classification Level	Point Ranges	FY 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, and 2007–08 Standard Rate
1	Under 60	$1,454
2	60– 89	1,835
3	90–119	2,210
4	120–149	2,589
5	150–179	2,966
6	180–209	3,344
7	210–239	3,723
8	240–269	4,102
9	270–299	4,479
10	300–329	4,858
11	330–359	5,234
12	360–389	5,613
13	390–419	5,994
14	420 & Up	6,371

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, and 2009–10 fiscal years, the adjusted RCL

point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, and 2009–10 Fiscal Years
1	Under 54
2	54– 81
3	82–110
4	111–138
5	139–167
6	168–195
7	196–224
8	225–253
9	254–281
10	282–310
11	311–338
12	339–367
13	368–395
14	396 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002–03, 2003–04, 2004–05, 2005–06, 2006–07, 2007–08, 2008–09, and 2009–10 fiscal years shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the Code of California Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(D) Rates applicable for the 2009–10 fiscal year pursuant to the act that adds this subparagraph shall be effective October 1, 2009.

(3) (A) For group home programs that receive AFDC-FC payments for services performed during the 2009–10 fiscal year the adjusted RCL point ranges below shall be used for establishing the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for the 2009–10 Fiscal Years
1	Under 39
2	39–64
3	65–90
4	91–115
5	116–141
6	142–167
7	168–192
8	193–218
9	219–244
10	245–270
11	271–295
12	296–321
13	322–347
14	348 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2009–10 fiscal year shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations as contained in Title 22 of the California Code of Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level (RCL) for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard

rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(4) Effective January 1, 2008, the amount included in the standard rate for each RCL for the wages for staff providing child care and supervision or performing social work activities, or both, shall be increased by 5 percent, and the amount included for the payroll taxes and other employer-paid benefits for these staff shall be increased from 20.325 percent to 24 percent. The standard rate for each RCL shall be recomputed using these adjusted amounts, and the resulting rates shall constitute the new standardized schedule of rates.

(5) The new standardized schedule of rates as provided for in paragraph (4) shall be reduced by 10 percent, effective October 1, 2009, and the resulting rates shall constitute the new standardized schedule of rates.

(6) The rates of licensed group home providers, whose rates are not established under the standardized schedule of rates, shall be reduced by 10 percent, effective October 1, 2009.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program that received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program that received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) That the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given the opportunity of 30 days to respond to this notification and to discuss options with the primary placing county.

(2) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(*l*) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

SEC. 196. Section 14005.30 of the Welfare and Institutions Code is amended to read:

14005.30. (a) (1) To the extent that federal financial participation is available, Medi-Cal benefits under this chapter shall be provided to individuals eligible for services under Section 1396u-1 of Title 42 of the United States Code, including any options under Section 1396u-1(b)(2)(C) made available to and exercised by the state.

(2) The department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code to adopt less restrictive income and resource eligibility standards and methodologies to the extent necessary to allow all recipients of benefits under Chapter 2 (commencing with Section 11200) to be eligible for Medi-Cal under paragraph (1).

(3) To the extent federal financial participation is available, the department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code authorizing the state to disregard all changes in income or assets of a beneficiary until the next annual redetermination under Section 14012. The department shall implement this paragraph only if, and to the extent that the State Child Health Insurance Program waiver described in Section 12693.755 of the Insurance Code extending Healthy Families Program eligibility to parents and certain other adults is approved and implemented.

(b) To the extent that federal financial participation is available, the department shall exercise its option under Section 1396u-1(b)(2)(C) of Title 42 of the United States Code as necessary to expand eligibility for Medi-Cal under subdivision (a) by establishing the amount of countable resources individuals or families are allowed to retain at the same amount medically needy individuals and families are allowed to retain, except that a family

of one shall be allowed to retain countable resources in the amount of three thousand dollars ($3,000).

(c) To the extent federal financial participation is available, the department shall, commencing March 1, 2000, adopt an income disregard for applicants equal to the difference between the income standard under the program adopted pursuant to Section 1931(b) of the federal Social Security Act (42 U.S.C. Sec. 1396u-1) and the amount equal to 100 percent of the federal poverty level applicable to the size of the family. A recipient shall be entitled to the same disregard, but only to the extent it is more beneficial than, and is substituted for, the earned income disregard available to recipients.

(d) For purposes of calculating income under this section during any calendar year, increases in social security benefit payments under Title II of the federal Social Security Act (42 U.S.C. Sec. 401 and following) arising from cost-of-living adjustments shall be disregarded commencing in the month that these social security benefit payments are increased by the cost-of-living adjustment through the month before the month in which a change in the federal poverty level requires the department to modify the income disregard pursuant to subdivision (c) and in which new income limits for the program established by this section are adopted by the department.

(e) Subdivision (b) shall be applied retroactively to January 1, 1998.

(f) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department shall implement, without taking regulatory action, subdivisions (a) and (b) of this section by means of an all county letter or similar instruction. Thereafter, the department shall adopt regulations in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 197. Section 14021.31 of the Welfare and Institutions Code is amended to read:

14021.31. The department, in collaboration with the State Department of Alcohol and Drug Programs, shall develop an administrative and programmatic transition plan to guide the transfer of the Drug Medi-Cal program to the department effective July 1, 2012.

(a) Commencing no later than July 15, 2011, the department, together with the State Department of Alcohol and Drug Programs, shall convene stakeholders to receive input from consumers, family members, providers, counties, and representatives of the Legislature concerning the transfer of the administration of Drug Medi-Cal functions currently performed by the State Department of Alcohol and Drug Programs to the department. This consultation shall inform the creation of an administrative and programmatic transition plan that shall include, but is not limited to, the following components:

(1) Plans for how to review monthly billing from counties to monitor and prevent any disruptions of service to Drug Medi-Cal beneficiaries during and immediately after the transition, and a description of how the department

intends to approach the longer-term development of measures for access and quality of service.

(2) A detailed description of the Drug Medi-Cal administrative functions currently performed by the State Department of Alcohol and Drug Programs.

(3) Explanations of the operational steps, timelines, and key milestones for determining when and how each of these functions will be transferred. These explanations shall also be developed for the transition of position and staff serving the Drug Medi-Cal program and how these will relate to and align with positions for the Medi-Cal program at the department. The department shall consult with the Department of Personnel Administration in developing this aspect of the transition plan.

(4) A list of any planned or proposed changes or efficiencies in how the functions will be performed, including the anticipated fiscal and programmatic impacts of the changes.

(5) A detailed organization chart that reflects the planned staffing at the department, taking into account the requirements of subparagraphs (A) to (C), inclusive, and includes focused, high-level leadership for behavioral health issues.

(6) A description of how stakeholders were included in the initial planning process to formulate the transition plan, and a description of how their feedback will be taken into consideration after transition activities are underway.

(b) The department, together with the State Department of Alcohol and Drug Programs, shall convene and consult with stakeholders at least once following production of a draft of the transition plan and before submission of that plan to the Legislature. Continued consultation with stakeholders shall occur in accordance with the requirement in subparagraph (F) of paragraph (1).

SEC. 198. Section 14022.4 of the Welfare and Institutions Code is amended to read:

14022.4. (a) Any nursing facility or any category of intermediate care facility for the developmentally disabled currently certified to participate in the Medi-Cal program may not voluntarily withdraw from the program unless all of the following conditions are met:

(1) The facility shall file with the department a notice of intent to withdraw from the Medi-Cal program.

(2) Except for patients to be transferred or discharged only for medical reasons, or for patients' welfare or that of other patients, or for nonpayment for his or her stay, the facility shall not subsequently evict any Medi-Cal recipient or private pay patient residing in the facility at the time the notice of intent to withdraw from the Medi-Cal program is filed.

(3) Patients admitted to the facility on or after the date of the notice of intent to withdraw from the Medi-Cal program shall be advised orally and in writing of both the following:

(A) That the facility intends to withdraw from the Medi-Cal program.

(B) That notwithstanding Section 14124.7, the facility is not required to keep a new resident who converts from private pay to Medi-Cal.

(b) Subdivision (a) shall not apply to facilities that have filed, prior to May 1, 1987, a notice of intent to withdraw from the Medi-Cal program.

(c) The department shall notify the appropriate substate ombudsmen monthly as to which facilities have filed a notice of intent to withdraw from the Medi-Cal program. This information shall also be made available to the public and noted in facility files available in each district office.

(d) The facility may formally withdraw from the Medi-Cal program when all patients residing in the facility at the time the facility filed the notice of intent to withdraw from the Medi-Cal program no longer reside in the facility.

(e) If a facility that has withdrawn as a Medi-Cal provider pursuant to this section subsequently reapplies to the department to become a Medi-Cal provider, the department shall require as a condition of becoming a Medi-Cal provider that the facility enter into a five-year Medi-Cal provider contract with the department.

(f) This section shall be inoperative in the event federal law or federal or state appellate judicial decisions prohibit implementation or invalidate any part of this section.

(g) (1) This section does not apply to any facility which ceases operations entirely.

(2) For purposes of this subdivision, "ceases operations entirely" means not being in operation for a period of not less than 12 months.

SEC. 199. Section 14067 of the Welfare and Institutions Code is amended to read:

14067. (a) The department, in conjunction with the Managed Risk Medical Insurance Board, may develop and conduct a community outreach and education campaign to help families learn about, and apply for, Medi-Cal and the Healthy Families Program of the Managed Risk Medical Insurance Board, subject to the requirements of federal law. In conducting this campaign, the department may seek input from, and contract with, various entities and programs that serve children, including, but not limited to, the State Department of Education, counties, Women, Infants, and Children program agencies, Head Start and Healthy Start programs, and community-based organizations that deal with potentially eligible families and children to assist in the outreach, education, and application completion process. The department shall implement the campaign if funding is provided for this purpose by an appropriation in the annual Budget Act or other statute.

(b) In implementing this section, the department may amend any existing or future media outreach campaign contract that it has entered into pursuant to Section 14148.5. Notwithstanding any other provision of law, any such contract entered into, or amended, as required to implement this section, shall be exempt from the approval of the Director of General Services and from the provisions of the Public Contract Code.

(c) (1) The department, in conjunction with the Managed Risk Medical Insurance Board, may award contracts to community-based organizations to help families learn about, and enroll in, the Medi-Cal program and Healthy Families Program, and other health care programs for low-income children.

The department shall implement this subdivision if funding is provided for this purpose by an appropriation in the annual Budget Act or other statute.

(2) Contracts for these outreach and enrollment projects shall be awarded based on, but not limited to, all of the following criteria:

(A) Capacity to reach populations or geographic areas with disproportionately low enrollment rates. If it is not possible to estimate the number of uninsured children in a geographic area who are eligible for the Medi-Cal program or the Healthy Families Program, proxy measures for rates of eligible children may be used. These measures may include, but are not limited to, the number of children in families with gross annual household incomes at or below the federal poverty levels pertinent to the programs.

(B) Organizational capacity and experience, including, but not limited to, any of the following:

(i) Organizational experience in serving low-income families.

(ii) Ability to work effectively with populations that have disproportionately low enrollment rates.

(iii) Organizational experiences in helping families learn about, and enroll in, the Medi-Cal program and Healthy Families Program. Organizations that do not have experience helping families learn about, and enroll in, the Medi-Cal program and Healthy Families Program shall be eligible only to the extent that they support and collaborate with the outreach and enrollment activities of entities with that experience.

(C) Effectiveness of the outreach and education plan, including, but not limited to, all of the following:

(i) Culturally and linguistically appropriate outreach and education strategies.

(ii) Strategies to identify and address barriers to enrollment, such as transportation limitations and community perceptions regarding the Medi-Cal program and Healthy Families Program.

(iii) Coordination with other outreach efforts in the community, including the statewide Healthy Families Program and Medi-Cal program outreach campaign, the state and federally funded county Medi-Cal outreach program, and any other Medi-Cal program and Healthy Families Program outreach projects in the target community.

(iv) Collaboration with other local organizations that serve families of eligible children.

(v) Strategies to ensure that children and families retain coverage and are informed of options for health coverage and services when they lose eligibility for a particular program.

(vi) Plans to inform families about all available health care programs and services.

SEC. 200. Section 14087.305 of the Welfare and Institutions Code is amended to read:

14087.305. (a) In areas specified by the director for expansion of the Medi-Cal managed care program under Section 14087.3 and where the department is contracting with a prepaid health plan that is contracting with, governed, owned or operated by a county board of supervisors, a county

special commission or county health authority authorized by Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.96, a Medi-Cal or California Work Opportunity and Responsibility for Kids (CalWORKs) applicant or beneficiary shall be informed of the health care options available regarding methods of receiving Medi-Cal benefits. The county shall ensure that each beneficiary is informed of these options and informed that a health care options presentation is available.

(b) The managed care options information described in subdivision (a) shall include the following elements:

(1) Each beneficiary or eligible applicant shall be provided, at a minimum, with the name, address, telephone number, and specialty, if any, of each primary care provider, by specialty, or clinic, participating in each managed care health plan option through a personalized provider directory for that beneficiary or applicant. This information shall be presented under the geographic area designations, by the name of the primary care provider and clinic and shall be updated based on information electronically provided monthly by the health care plans to the department, setting forth any changes in the health care plan's provider network. The geographic areas shall be based on the applicant's residence address, the minor applicant's school address, the applicant's work address, or any other factor deemed appropriate by the department, in consultation with health plan representatives, legislative staff, and consumer stakeholders. In addition, directories of the entire service area of the local initiative and commercial plan provider networks, including, but not limited to, the name, address, and telephone number of each primary care provider and hospital, shall be made available to beneficiaries or applicants who request them from the health care options contractor. Each personalized provider directory shall include information regarding the availability of a directory of the entire service area, provide telephone numbers for the beneficiary to request a directory of the entire service area, and include a postage-paid mail card to send for a directory of the entire service area. The personalized provider directory shall be implemented as a pilot project in Los Angeles County pursuant to this article, and in Sacramento County (Geographic Managed Care Model) pursuant to Article 2.91 (commencing with Section 14089). The content, form, and the geographic areas used in the personalized provider directories shall be determined by the department, in consultation with a workgroup to include health plan representatives, legislative staff, and consumer stakeholders, with an emphasis on the inclusion of stakeholders from Los Angeles and Sacramento Counties. The personalized provider directories may include a section for each health plan. Prior to implementation of the pilot project, the department, in consultation with consumer stakeholders, legislative staff, and health plans, shall determine the parameters, methodology, and evaluation process of the pilot project. The pilot project shall thereafter be in effect for a minimum of two years. Following two years of operation as a pilot project in two counties, the department, in consultation with consumer stakeholders, legislative staff, and health plans, shall determine whether to implement personalized provider directories as a permanent program

statewide. If necessary, the pilot project shall continue beyond the initial two-year period until this determination is made. This pilot project shall only be implemented to the extent that it is budget neutral to the department.

(2) Each beneficiary or eligible applicant shall be informed that he or she may choose to continue an established patient-provider relationship in a managed care option, if his or her treating provider is a primary care provider or clinic contracting with any of the prepaid health plan options available and has available capacity and agrees to continue to treat that beneficiary or applicant.

(3) Each beneficiary or eligible applicant shall be informed that if he or she fails to make a choice, he or she shall be assigned to, and enrolled in, a prepaid health plan.

(c) No later than 30 days following the date a Medi-Cal or CalWORKs beneficiary or applicant is determined eligible for Medi-Cal, the beneficiary shall indicate his or her choice, in writing, from among the available prepaid health plans in the region and his or her choice of primary care provider or clinic contracting with the selected prepaid health plan. Notwithstanding the 30-day deadline set forth in this subdivision, if a beneficiary requests a directory for the entire service area within 30 days of receiving an enrollment form, the deadline for choosing a plan shall be extended an additional 30 days from the date of the request.

(d) At the time the beneficiary or eligible applicant selects a prepaid health plan, the department shall, when applicable, encourage the beneficiary or eligible applicant to also indicate, in writing, his or her choice of primary care provider or clinic contracting with the selected prepaid health plan.

(e) In areas specified by the director for expansion of the Medi-Cal managed care program under Section 14087.3, and where the department is contracting with a prepaid health plan that is contracting with, governed, owned or operated by a county board of supervisors, a county special commission or county health authority authorized by Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.96, a Medi-Cal or CalWORKs beneficiary who does not make a choice of managed care plans, shall be assigned to and enrolled in an appropriate Medi-Cal prepaid health plan providing service within the area in which the beneficiary resides.

(f) If a beneficiary or eligible applicant does not choose a primary care provider or clinic, or does not select any primary care provider who is available, the prepaid health plan that was selected by or assigned to the beneficiary shall ensure that the beneficiary selects a primary care provider or clinic within 30 days after enrollment or is assigned to a primary care provider within 40 days after enrollment.

(g) Any Medi-Cal or CalWORKs beneficiary dissatisfied with the primary care provider or prepaid health plan shall be allowed to select or be assigned to another primary care provider within the same prepaid health plan. In addition, the beneficiary shall be allowed to select or be assigned to another prepaid health plan contracted for pursuant to this article that is in effect for the geographic area in which he or she resides, in accordance with Section 1903(m)(2)(F)(ii) of the Social Security Act.

(h) The department or its contractor shall notify a prepaid health plan when it has been selected by or assigned to a beneficiary. The prepaid health plan that has been selected by or assigned to a beneficiary shall notify the primary care provider that has been selected or assigned. The prepaid health plan shall also notify the beneficiary of the prepaid health plan and primary care provider or clinic selected or assigned.

(i) (1) The managed health care plan shall have a valid Medi-Cal contract, adequate capacity, and appropriate staffing to provide health care services to the beneficiary.

(2) The department shall establish standards for all of the following:

(A) The maximum distances a beneficiary is required to travel to obtain primary care services from the managed care plan, in which the beneficiary is enrolled.

(B) The conditions under which a primary care service site shall be accessible by public transportation.

(C) The conditions under which a managed care plan shall provide nonmedical transportation to a primary care service site.

(3) In developing the standards required by paragraph (2) the department shall take into account, on a geographic basis, the means of transportation used and distances typically traveled by Medi-Cal beneficiaries to obtain fee-for-service primary care services and the experience of managed care plans in delivering services to Medi-Cal enrollees. The department shall also consider the provider's ability to render culturally and linguistically appropriate services.

(j) To the extent possible, the arrangements for carrying out subdivision (e) shall provide for the equitable distribution of Medi-Cal beneficiaries among participating prepaid health plans, or managed care plans.

(k) This section shall be implemented in a manner consistent with any federal waiver required to be obtained by the department in order to implement this section.

SEC. 201. Section 14089 of the Welfare and Institutions Code is amended to read:

14089. (a) The purpose of this article is to provide a comprehensive program of managed health care plan services to Medi-Cal recipients residing in clearly defined geographical areas. It is, further, the purpose of this article to create maximum accessibility to health care services by permitting Medi-Cal recipients the option of choosing from among two or more managed health care plans or fee-for-service managed case arrangements, including, but not limited to, health maintenance organizations, prepaid health plans, and primary care case management plans. Independent practice associations, health insurance carriers, private foundations, and university medical centers systems, not-for-profit clinics, and other primary care providers, may be offered as choices to Medi-Cal recipients under this article if they are organized and operated as managed care plans, for the provision of preventive managed health care plan services.

(b) The department may seek proposals and then shall enter into contracts based on relative costs, extent of coverage offered, quality of health services

to be provided, financial stability of the health care plan or carrier, recipient access to services, cost-containment strategies, peer and community participation in quality control, emphasis on preventive and managed health care services and the ability of the health plan to meet all requirements for both of the following:

(1) Certification, where legally required, by the Director of the Department of Managed Health Care and the Insurance Commissioner.

(2) Compliance with all of the following:

(A) The health plan shall satisfy all applicable state and federal legal requirements for participation as a Medi-Cal managed care contractor.

(B) The health plan shall meet any standards established by the department for the implementation of this article.

(C) The health plan receives the approval of the department to participate in the pilot project under this article.

(c) (1) (A) The proposals shall be for the provision of preventive and managed health care services to specified eligible populations on a capitated, prepaid, or postpayment basis.

(B) Enrollment in a Medi-Cal managed health care plan under this article shall be voluntary for beneficiaries eligible for the federal Supplemental Security Income for the Aged, Blind, and Disabled Program (Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code).

(2) The cost of each program established under this section shall not exceed the total amount that the department estimates it would pay for all services and requirements within the same geographic area under the fee-for-service Medi-Cal program.

(d) (1) An eligible beneficiary shall be entitled to enroll in any health care plan contracted for pursuant to this article that is in effect for the geographic area in which he or she resides. The department shall make available to recipients information summarizing the benefits and limitations of each health care plan available pursuant to this section in the geographic area in which the recipient resides. A Medi-Cal or CalWORKs applicant or beneficiary shall be informed of the health care options available regarding methods of receiving Medi-Cal benefits. The county shall ensure that each beneficiary is informed of these options and informed that a health care options presentation is available.

(2) No later than 30 days following the date a Medi-Cal or CalWORKs recipient is informed of the health care options described in paragraph (1), the recipient shall indicate his or her choice, in writing, of one of the available health care plans and his or her choice of primary care provider or clinic contracting with the selected health care plan. Notwithstanding the 30-day deadline set forth in this paragraph, if a beneficiary requests a directory for the entire service area within 30 days of the date of receiving an enrollment form, the deadline for choosing a plan shall be extended an additional 30 days from the date of that request.

(3) The health care options information described in this subdivision shall include the following elements:

(A) Each beneficiary or eligible applicant shall be provided, at a minimum, with the name, address, telephone number, and specialty, if any, of each primary care provider, by specialty or clinic participating in each managed health care plan option through a personalized provider directory for that beneficiary or applicant. This information shall be presented under the geographic area designations by the name of the primary care provider and clinic, and shall be updated based on information electronically provided monthly by the health care plans to the department, setting forth changes in the health care plan provider network. The geographic areas shall be based on the applicant's residence address, the minor applicant's school address, the applicant's work address, or any other factor deemed appropriate by the department, in consultation with health plan representatives, legislative staff, and consumer stakeholders. In addition, directories of the entire service area, including, but not limited to, the name, address, and telephone number of each primary care provider and hospital, of all Geographic Managed Care health plan provider networks shall be made available to beneficiaries or applicants who request them from the health care options contractor. Each personalized provider directory shall include information regarding the availability of a directory of the entire service area, provide telephone numbers for the beneficiary to request a directory of the entire service area, and include a postage-paid mail card to send for a directory of the entire service area. The personalized provider directory shall be implemented as a pilot project in Sacramento County pursuant to this article, and in Los Angeles County (Two-Plan Model) pursuant to Article 2.7 (commencing with Section 14087.305). The content, form, and geographic areas used shall be determined by the department in consultation with a workgroup to include health plan representatives, legislative staff, and consumer stakeholders, with an emphasis on the inclusion of stakeholders from Los Angeles and Sacramento Counties. The personalized provider directories may include a section for each health plan. Prior to implementation of the pilot project, the department, in consultation with consumer stakeholders, legislative staff, and health plans, shall determine the parameters, methodology, and evaluation process of the pilot project. The pilot project shall thereafter be in effect for a minimum of two years. Following two years of operation as a pilot project in two counties, the department, in consultation with consumer stakeholders, legislative staff, and health plans, shall determine whether to implement personalized provider directories as a permanent program statewide. If necessary, the pilot project shall continue beyond the initial two-year period until this determination is made. This pilot project shall only be implemented to the extent that it is budget neutral to the department.

(B) Each beneficiary or eligible applicant shall be informed that he or she may choose to continue an established patient-provider relationship in a managed care option, if his or her treating provider is a primary care provider or clinic contracting with any of the health plans available and has the available capacity and agrees to continue to treat that beneficiary or eligible applicant.

(C) Each beneficiary or eligible applicant shall be informed that if he or she fails to make a choice, he or she shall be assigned to, and enrolled in, a health care plan.

(4) At the time the beneficiary or eligible applicant selects a health care plan, the department shall, when applicable, encourage the beneficiary or eligible applicant to also indicate, in writing, his or her choice of primary care provider or clinic contracting with the selected health care plan.

(5) Commencing with the implementation of a geographic managed care project in a designated county, a Medi-Cal or CalWORKs beneficiary who does not make a choice of health care plans in accordance with paragraph (2), shall be assigned to and enrolled in an appropriate health care plan providing service within the area in which the beneficiary resides.

(6) If a beneficiary or eligible applicant does not choose a primary care provider or clinic, or does not select a primary care provider who is available, the health care plan selected by or assigned to the beneficiary shall ensure that the beneficiary selects a primary care provider or clinic within 30 days after enrollment or is assigned to a primary care provider within 40 days after enrollment.

(7) A Medi-Cal or CalWORKs beneficiary dissatisfied with the primary care provider or health care plan shall be allowed to select or be assigned to another primary care provider within the same health care plan. In addition, the beneficiary shall be allowed to select or be assigned to another health care plan contracted for pursuant to this article that is in effect for the geographic area in which he or she resides in accordance with Section 1903(m)(2)(F)(ii) of the Social Security Act.

(8) The department or its contractor shall notify a health care plan when it has been selected by or assigned to a beneficiary. The health care plan that has been selected or assigned by a beneficiary shall notify the primary care provider that has been selected or assigned. The health care plan shall also notify the beneficiary of the health care plan and primary care provider selected or assigned.

(9) This section shall be implemented in a manner consistent with any federal waiver that is required to be obtained by the department to implement this section.

(e) A participating county may include within the plan or plans providing coverage pursuant to this section, employees of county government, and others who reside in the geographic area and who depend upon county funds for all or part of their health care costs.

(f) Funds may be provided to prospective contractors to assist in the design, development, and installation of appropriate programs. The award of these funds shall be based on criteria established by the department.

(g) In implementing this article, the department may enter into contracts for the provision of essential administrative and other services. Contracts entered into under this subdivision may be on a noncompetitive bid basis and shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(h) Notwithstanding any other provision of law, on and after the effective date of the act adding this subdivision, the department shall have exclusive authority to set the rates, terms, and conditions of geographic managed care contracts and contract amendments under this article. As of that date, all references to this article to the negotiator or to the California Medical Assistance Commission shall be deemed to mean the department.

(i) Notwithstanding subdivision (q) of Section 6254 of the Government Code, a contract or contract amendments executed by both parties after the effective date of the act adding this subdivision shall be considered a public record for purposes of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be disclosed upon request. This subdivision includes contracts that reveal the department's rates of payment for health care services, the rates themselves, and rate manuals.

SEC. 202. Section 14089.05 of the Welfare and Institutions Code is amended to read:

14089.05. (a) (1) The department may implement a multiplan project in the County of San Diego, upon approval of the Board of Supervisors of the County of San Diego, for the provision of benefits under this chapter to eligible Medi-Cal recipients. The multiplan project implemented in San Diego County pursuant to this section shall provide diagnostic, therapeutic, and preventive services provided under the Medi-Cal program, and additional benefits including, but not limited to, medical-related transportation, comprehensive patient management, and referral to other support services.

(2) The County of San Diego shall be eligible to receive funds transferred pursuant to paragraph (1) of subdivision (p) of Section 14163 for the development and implementation of this section. These funds in the amount allocated by the department for the County of San Diego shall be paid by the department upon the enactment of this section to the County of San Diego to reimburse a portion of the costs of the development of the project. To the full extent permitted by state and federal law, these funds shall be distributed by the department for expenditure by the County of San Diego in a manner that qualifies for federal financial participation under the Medicaid Program and the department shall expedite the payment of the federal funds to the County of San Diego. The department shall seek additional state, federal, and other funds to pay for costs that are incurred by the County of San Diego to develop the multiplan project in excess of the payment required by this section, and the department shall assist the county in obtaining the additional funds.

(b) (1) The County of San Diego may establish two advisory boards, one of which shall be composed of consumer representatives and the other of which shall be composed of health care professional's representatives. Each board shall advise the Department of Health Services of the County of San Diego and review and comment on all aspects of the implementation of the multiplan project. At least one of the members of each advisory board shall be appointed by the board of supervisors. The board of supervisors shall establish a number of members to serve on each advisory board, with

each supervisor to appoint an equal number of members from his or her district. Each advisory board shall vote on all pilot project policies and issues that are submitted to the board of supervisors.

(2) Notwithstanding any other provision of law, a member of an advisory board established pursuant to this section shall not be deemed to be interested in a contract entered into by the department within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if the member is a Medi-Cal recipient or if all of the following apply:

(A) The member was appointed to represent the interests of physicians, health care practitioners, hospitals, pharmacies, or other health care organizations.

(B) The contract authorizes the member or the organization the member represents to provide Medi-Cal services under the multiplan project.

(C) The contract contains substantially the same terms and conditions as contracts entered into with other individuals or organizations the member was appointed to represent.

(D) The member does not influence or attempt to influence the joint advisory board or another member of the joint advisory board to recommend that the department enter into the contract in which the member is interested.

(E) The member discloses the interest to the joint advisory board and abstains from voting on any recommendation on the contract.

(F) The advisory board notes the member's disclosure and abstention in its official records.

(3) Members of the advisory boards shall not be paid compensation for activities relating to their duties as members, but members who are Medi-Cal recipients shall be reimbursed an appropriate amount by the County of San Diego for travel and child care expenses incurred in performing their duties under this section.

(c) At the discretion of the department, the County of San Diego, the department, or other appropriate entities may perform any of the following in a manner that accomplishes the integration of the intake of eligible beneficiaries to the project, the assessment of beneficiary individual and family needs and circumstances, and the timely referral of beneficiaries to health care and other services to respond to their individual and family needs:

(1) Determine the eligibility of Medi-Cal applicants and recipients in a manner and environment that is accessible to the recipients and applicants.

(2) Perform enrollment activities in a manner that ensures that recipients be given the opportunity to select the provider of their choice in a manner and environment that is accessible to the recipients.

(3) The department may negotiate and amend its contract with the county to provide for specified quality improvement activities, and may require each of the health plans to participate in those activities. The department shall also participate in the county's quality improvement activities.

(d) Notwithstanding Section 14089 or any other provision of law, the County of San Diego, when contracting with the department pursuant to

this section or subdivision (d), (i), or (j) of Section 14089, shall not be liable for damages for injury to persons or property arising out of the actions or inactions of the department, the department's other contractors, or providers of health care or other services, or Medi-Cal recipients. This section shall not relieve the County of San Diego from liability arising out of its actions or inactions.

(e) The County of San Diego, when contracting with the department pursuant to Section 14089 or this section, shall have no legal duty to provide health care or other services to Medi-Cal recipients, and shall have no financial responsibility for the department's other contractors or providers of health care or other services, except to the extent specifically set forth in contracts between the department and the county.

(f) Notwithstanding Section 14089.6, the department may terminate any existing managed care contract with either a prepaid health plan or a primary care case management plan for services in the County of San Diego in accordance with the terms and conditions set forth in the existing contract, at any time that the department determines that termination is in the best interest of the state. The department shall notify an existing prepaid health plan at least 90 days prior to termination. The department shall notify a primary care case management plan at least 30 days prior to termination.

(g) All contracts entered into by the department and the County of San Diego pursuant to Section 14089 or this section shall not be for the benefit of any third party, and no third-party beneficiary relationship shall be established between the county and any other party, except as may be specifically set forth in contracts between the department and the County of San Diego.

(h) (1) For purposes of this section, "multiplan project" means a program authorized by this section in which a number of Knox-Keene licensed health plans designated by the county and approved by the department shall be the only Medi-Cal managed care health plans authorized to operate within San Diego County, with the exception of special projects approved by the department.

(2) Designated health plans shall include, but not be limited to, health plans sponsored by traditional Medi-Cal physicians, neighborhood health centers, community clinics, health systems, including hospitals and other providers, or a combination thereof.

(3) Participating health plans shall first be designated by the county for approval by the department. Health plans approved by the department shall be eligible to contract with the department. Designation by the county and approval by the department provides the health plan only with the opportunity to compete for a contract and does not guarantee a contract with the state.

(4) Designation requirements imposed by the county shall not conflict with the requirements imposed by the department, the federal Medicaid Program, and the Medi-Cal program, and may not impose stricter requirements, without the department's approval, than those imposed by the department, the federal Medicaid Program, and the Medi-Cal program.

(5) Designation of health plans by the county will continue for the term of the Medi-Cal contract.

(i) Nothing in this section relieves the county of duties or liabilities imposed by Part 5 (commencing with Section 17000) or which it has assumed through contract with entities other than the department.

(j) Indian health facilities in San Diego County may contract directly with the department as Medi-Cal fee-for-service case management providers apart from the geographic managed care program or may participate in the network of one or more of the geographic managed care plans. Indian health service facilities that contract with the department as fee-for-service case management providers may enroll Medi-Cal recipients, including, but not limited to, recipients who are in any of the geographic managed care mandatory enrollment aid codes.

SEC. 203. Section 14091.3 of the Welfare and Institutions Code is amended to read:

14091.3. (a) For purposes of this section, the following definitions shall apply:

(1) "Medi-Cal managed care plan contracts" means those contracts entered into with the department by any individual, organization, or entity pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), or Article 2.91 (commencing with Section 14089) of this chapter, or Article 1 (commencing with Section 14200) or Article 7 (commencing with Section 14490) of Chapter 8, or Chapter 8.75 (commencing with Section 14591).

(2) "Medi-Cal managed care health plan" means an individual, organization, or entity operating under a Medi-Cal managed care plan contract with the department under this chapter, Chapter 8 (commencing with Section 14200), or Chapter 8.75 (commencing with Section 14591).

(b) The department shall take all appropriate steps to amend the Medicaid State Plan, if necessary, to carry out this section. This section shall be implemented only to the extent that federal financial participation is available.

(c) (1) Any hospital that does not have in effect a contract with a Medi-Cal managed care health plan, as defined in paragraph (2) of subdivision (a), that establishes payment amounts for services furnished to a beneficiary enrolled in that plan shall accept as payment in full, from all these plans, the following amounts:

(A) For outpatient services, the Medi-Cal fee-for-service (FFS) payment amounts.

(B) For emergency inpatient services, the average per diem contract rate specified in paragraph (2) of subdivision (b) of Section 14166.245, except that the payment amount shall not be reduced by 5 percent, until July 1, 2013, and thereafter, the average contract rate specified in Section 1396u-2(b)(2) of Title 42 of the United States Code. For the purposes of this subparagraph, this payment amount shall apply to all hospitals, including hospitals that contract with the department under the Medi-Cal Selective Provider Contracting Program described in Article 2.6 (commencing with

Section 14081), and small and rural hospitals specified in Section 124840 of the Health and Safety Code.

(C) For poststabilization services following an emergency admission, payment amounts shall be consistent with Section 438.114(e) of Title 42 of the Code of Federal Regulations. This paragraph shall only be implemented to the extent that contract amendment language providing for these payments is approved by CMS. For purposes of this subparagraph, this payment amount shall apply to all hospitals, including hospitals that contract with the department under the Medi-Cal Selective Provider Contracting Program pursuant to Article 2.6 (commencing with Section 14081).

(2) The rates established in paragraph (1) for emergency inpatient services and poststabilization services shall remain in effect only until the department implements the payment methodology based on diagnosis-related groups pursuant to Section 14105.28.

(3) Upon implementation of the payment methodology based on diagnosis-related groups pursuant to Section 14105.28, any hospital described in paragraph (1) shall accept as payment in full for inpatient hospital services, including both emergency inpatient services and poststabilization services related to an emergency medical condition, the payment amount established pursuant to the methodology developed under Section 14105.28.

(d) Medi-Cal managed care health plans that, pursuant to the department's encouragement in All Plan Letter 07003, have been paying out-of-network hospitals the most recent California Medical Assistance Commission regional average per diem rate as a temporary rate for purposes of Section 1932(b)(2)(D) of the federal Social Security Act (SSA), which became effective January 1, 2007, shall make reconciliations and adjustments for all hospital payments made since January 1, 2007, based upon rates published by the department pursuant to Section 1932(b)(2)(D) of the SSA and effective January 1, 2007, to June 30, 2008, inclusive, and, if applicable, provide supplemental payments to hospitals as necessary to make payments that conform with Section 1932(b)(2)(D) of the SSA. In order to provide managed care health plans with 60 working days to make any necessary supplemental payments to hospitals prior to these payments becoming subject to the payment of interest, Section 1300.71 of Title 28 of the California Code of Regulations shall not apply to these supplemental payments until 30 working days following the publication by the department of the rates.

(e) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement, interpret, or make specific this section and applicable federal waivers and state plan amendments by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions, without taking regulatory action. Prior to issuing any letter or similar instrument authorized pursuant to this section, the department shall notify and consult with stakeholders, including advocates, providers, and beneficiaries.

(f) This section shall become inoperative on July 1, 2013, and, as of January 1, 2014, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2014, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 204. Section 14094.3 of the Welfare and Institutions Code is amended to read:

14094.3. (a) Notwithstanding this article or Section 14093.05 or 14094.1, CCS covered services shall not be incorporated into any Medi-Cal managed care contract entered into after August 1, 1994, pursuant to Article 2.7 (commencing with Section 14087.3), Article 2.8 (commencing with Section 14087.5), Article 2.9 (commencing with Section 14088), Article 2.91 (commencing with Section 14089), Article 2.95 (commencing with Section 14092); or either Article 2 (commencing with Section 14200), or Article 7 (commencing with Section 14490) of Chapter 8, until January 1, 2016, except for contracts entered into for county organized health systems or Regional Health Authority in the Counties of San Mateo, Santa Barbara, Solano, Yolo, Marin, and Napa.

(b) Notwithstanding any other provision of this chapter, providers serving children under the CCS program who are enrolled with a Medi-Cal managed care contractor but who are not enrolled in a pilot project pursuant to subdivision (c) shall continue to submit billing for CCS covered services on a fee-for-service basis until CCS covered services are incorporated into the Medi-Cal managed care contracts described in subdivision (a).

(c) (1) The department may authorize a pilot project in Solano County in which reimbursement for conditions eligible under the CCS program may be reimbursed on a capitated basis pursuant to Section 14093.05, and provided all CCS program's guidelines, standards, and regulations are adhered to, and CCS program's case management is utilized.

(2) During the time period described in subdivision (a), the department may approve, implement, and evaluate limited pilot projects under the CCS program to test alternative managed care models tailored to the special health care needs of children under the CCS program. The pilot projects may include, but need not be limited to, coverage of different geographic areas, focusing on certain subpopulations, and the employment of different payment and incentive models. Pilot project proposals from CCS program-approved providers shall be given preference. All pilot projects shall utilize CCS program-approved standards and providers pursuant to Section 14094.1.

(d) For purposes of this section, CCS covered services include all program benefits administered by the program specified in Section 123840 of the Health and Safety Code regardless of the funding source.

(e) Nothing in this section shall be construed to exclude or restrict CCS eligible children from enrollment with a managed care contractor, or from receiving from the managed care contractor with which they are enrolled primary and other health care unrelated to the treatment of the CCS eligible condition.

SEC. 205. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, respiratory care, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(c) Nursing facility services, subacute care services, and services provided by any category of intermediate care facility for the developmentally disabled, including podiatry, physician, nurse practitioner services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Respiratory care, physical therapy, occupational therapy, speech therapy, and audiology services for patients in nursing facilities and any category of intermediate care facility for the developmentally disabled are covered subject to utilization controls.

(d) (1) Purchase of prescribed drugs is covered subject to the Medi-Cal List of Contract Drugs and utilization controls.

(2) Purchase of drugs used to treat erectile dysfunction or any off-label uses of those drugs are covered only to the extent that federal financial participation is available.

(3) (A) To the extent required by federal law, the purchase of outpatient prescribed drugs, for which the prescription is executed by a prescriber in written, nonelectronic form on or after April 1, 2008, is covered only when executed on a tamper resistant prescription form. The implementation of this paragraph shall conform to the guidance issued by the federal Centers of Medicare and Medicaid Services but shall not conflict with state statutes on the characteristics of tamper resistant prescriptions for controlled substances, including Section 11162.1 of the Health and Safety Code. The department shall provide providers and beneficiaries with as much flexibility in implementing these rules as allowed by the federal government. The department shall notify and consult with appropriate stakeholders in implementing, interpreting, or making specific this paragraph.

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instructions without taking regulatory action.

(4) (A) (i) For the purposes of this paragraph, nonlegend has the same meaning as defined in subdivision (a) of Section 14105.45.

(ii) Nonlegend acetaminophen-containing products, with the exception of children's acetaminophen-containing products, selected by the department are not covered benefits.

(iii) Nonlegend cough and cold products selected by the department are not covered benefits. This clause shall be implemented on the first day of the first calendar month following 90 days after the effective date of the act that added this clause, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(iv) Beneficiaries under the Early and Periodic Screening, Diagnosis, and Treatment Program shall be exempt from clauses (ii) and (iii).

(B) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may take the actions specified in subparagraph (A) by means of a provider bulletin or notice, policy letter, or other similar instruction without taking regulatory action.

(e) Outpatient dialysis services and home hemodialysis services, including physician services, medical supplies, drugs and equipment required for dialysis, are covered, subject to utilization controls.

(f) Anesthesiologist services when provided as part of an outpatient medical procedure, nurse anesthetist services when rendered in an inpatient or outpatient setting under conditions set forth by the director, outpatient laboratory services, and X-ray services are covered, subject to utilization controls. Nothing in this subdivision shall be construed to require prior authorization for anesthesiologist services provided as part of an outpatient medical procedure or for portable X-ray services in a nursing facility or any category of intermediate care facility for the developmentally disabled.

(g) Blood and blood derivatives are covered.

(h) (1) Emergency and essential diagnostic and restorative dental services, except for orthodontic, fixed bridgework, and partial dentures that are not necessary for balance of a complete artificial denture, are covered, subject to utilization controls. The utilization controls shall allow emergency and essential diagnostic and restorative dental services and prostheses that are necessary to prevent a significant disability or to replace previously furnished prostheses which are lost or destroyed due to circumstances beyond the beneficiary's control. Notwithstanding the foregoing, the director may by regulation provide for certain fixed artificial dentures necessary for obtaining employment or for medical conditions that preclude the use of removable dental prostheses, and for orthodontic services in cleft palate deformities administered by the department's California Children Services Program.

(2) For persons 21 years of age or older, the services specified in paragraph (1) shall be provided subject to the following conditions:

(A) Periodontal treatment is not a benefit.

(B) Endodontic therapy is not a benefit except for vital pulpotomy.

(C) Laboratory processed crowns are not a benefit.

(D) Removable prosthetics shall be a benefit only for patients as a requirement for employment.

(E) The director may, by regulation, provide for the provision of fixed artificial dentures that are necessary for medical conditions that preclude the use of removable dental prostheses.

(F) Notwithstanding the conditions specified in subparagraphs (A) to (E), inclusive, the department may approve services for persons with special medical disorders subject to utilization review.

(3) Paragraph (2) shall become inoperative July 1, 1995.

(i) Medical transportation is covered, subject to utilization controls.

(j) Home health care services are covered, subject to utilization controls.

(k) Prosthetic and orthotic devices and eyeglasses are covered, subject to utilization controls. Utilization controls shall allow replacement of prosthetic and orthotic devices and eyeglasses necessary because of loss or destruction due to circumstances beyond the beneficiary's control. Frame styles for eyeglasses replaced pursuant to this subdivision shall not change more than once every two years, unless the department so directs.

Orthopedic and conventional shoes are covered when provided by a prosthetic and orthotic supplier on the prescription of a physician and when at least one of the shoes will be attached to a prosthesis or brace, subject to utilization controls. Modification of stock conventional or orthopedic shoes when medically indicated, is covered subject to utilization controls. When there is a clearly established medical need that cannot be satisfied by the modification of stock conventional or orthopedic shoes, custom-made orthopedic shoes are covered, subject to utilization controls.

Therapeutic shoes and inserts are covered when provided to beneficiaries with a diagnosis of diabetes, subject to utilization controls, to the extent that federal financial participation is available.

(*l*) Hearing aids are covered, subject to utilization controls. Utilization controls shall allow replacement of hearing aids necessary because of loss or destruction due to circumstances beyond the beneficiary's control.

(m) Durable medical equipment and medical supplies are covered, subject to utilization controls. The utilization controls shall allow the replacement of durable medical equipment and medical supplies when necessary because of loss or destruction due to circumstances beyond the beneficiary's control. The utilization controls shall allow authorization of durable medical equipment needed to assist a disabled beneficiary in caring for a child for whom the disabled beneficiary is a parent, stepparent, foster parent, or legal guardian, subject to the availability of federal financial participation. The department shall adopt emergency regulations to define and establish criteria for assistive durable medical equipment in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(n) Family planning services are covered, subject to utilization controls.

(o) Inpatient intensive rehabilitation hospital services, including respiratory rehabilitation services, in a general acute care hospital are

covered, subject to utilization controls, when either of the following criteria are met:

(1) A patient with a permanent disability or severe impairment requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to develop function beyond the limited amount that would occur in the normal course of recovery.

(2) A patient with a chronic or progressive disease requires an inpatient intensive rehabilitation hospital program as described in Section 14064 to maintain the patient's present functional level as long as possible.

(p) (1) Adult day health care is covered in accordance with Chapter 8.7 (commencing with Section 14520).

(2) Commencing 30 days after the effective date of the act that added this paragraph, and notwithstanding the number of days previously approved through a treatment authorization request, adult day health care is covered for a maximum of three days per week.

(3) As provided in accordance with paragraph (4), adult day health care is covered for a maximum of five days per week.

(4) As of the date that the director makes the declaration described in subdivision (g) of Section 14525.1, paragraph (2) shall become inoperative and paragraph (3) shall become operative.

(q) (1) Application of fluoride, or other appropriate fluoride treatment as defined by the department, other prophylaxis treatment for children 17 years of age and under, are covered.

(2) All dental hygiene services provided by a registered dental hygienist in alternative practice pursuant to Sections 1768 and 1770 of the Business and Professions Code may be covered as long as they are within the scope of Denti-Cal benefits and they are necessary services provided by a registered dental hygienist in alternative practice.

(r) (1) Paramedic services performed by a city, county, or special district, or pursuant to a contract with a city, county, or special district, and pursuant to a program established under Article 3 (commencing with Section 1480) of Chapter 2.5 of Division 2 of the Health and Safety Code by a paramedic certified pursuant to that article, and consisting of defibrillation and those services specified in subdivision (3) of Section 1482 of the article.

(2) All providers enrolled under this subdivision shall satisfy all applicable statutory and regulatory requirements for becoming a Medi-Cal provider.

(3) This subdivision shall be implemented only to the extent funding is available under Section 14106.6.

(s) In-home medical care services are covered when medically appropriate and subject to utilization controls, for beneficiaries who would otherwise require care for an extended period of time in an acute care hospital at a cost higher than in-home medical care services. The director shall have the authority under this section to contract with organizations qualified to provide in-home medical care services to those persons. These services may be provided to patients placed in shared or congregate living arrangements, if a home setting is not medically appropriate or available to the beneficiary. As used in this section, "in-home medical care service" includes utility bills

directly attributable to continuous, 24-hour operation of life-sustaining medical equipment, to the extent that federal financial participation is available.

As used in this subdivision, in-home medical care services, include, but are not limited to:

(1) Level of care and cost of care evaluations.

(2) Expenses, directly attributable to home care activities, for materials.

(3) Physician fees for home visits.

(4) Expenses directly attributable to home care activities for shelter and modification to shelter.

(5) Expenses directly attributable to additional costs of special diets, including tube feeding.

(6) Medically related personal services.

(7) Home nursing education.

(8) Emergency maintenance repair.

(9) Home health agency personnel benefits which permit coverage of care during periods when regular personnel are on vacation or using sick leave.

(10) All services needed to maintain antiseptic conditions at stoma or shunt sites on the body.

(11) Emergency and nonemergency medical transportation.

(12) Medical supplies.

(13) Medical equipment, including, but not limited to, scales, gurneys, and equipment racks suitable for paralyzed patients.

(14) Utility use directly attributable to the requirements of home care activities which are in addition to normal utility use.

(15) Special drugs and medications.

(16) Home health agency supervision of visiting staff which is medically necessary, but not included in the home health agency rate.

(17) Therapy services.

(18) Household appliances and household utensil costs directly attributable to home care activities.

(19) Modification of medical equipment for home use.

(20) Training and orientation for use of life-support systems, including, but not limited to, support of respiratory functions.

(21) Respiratory care practitioner services as defined in Sections 3702 and 3703 of the Business and Professions Code, subject to prescription by a physician and surgeon.

Beneficiaries receiving in-home medical care services are entitled to the full range of services within the Medi-Cal scope of benefits as defined by this section, subject to medical necessity and applicable utilization control. Services provided pursuant to this subdivision, which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with a home- and community-based services waiver.

(t) Home- and community-based services approved by the United States Department of Health and Human Services may be covered to the extent

that federal financial participation is available for those services under waivers granted in accordance with Section 1396n of Title 42 of the United States Code. The director may seek waivers for any or all home- and community-based services approvable under Section 1396n of Title 42 of the United States Code. Coverage for those services shall be limited by the terms, conditions, and duration of the federal waivers.

(u) Comprehensive perinatal services, as provided through an agreement with a health care provider designated in Section 14134.5 and meeting the standards developed by the department pursuant to Section 14134.5, subject to utilization controls.

The department shall seek any federal waivers necessary to implement the provisions of this subdivision. The provisions for which appropriate federal waivers cannot be obtained shall not be implemented. Provisions for which waivers are obtained or for which waivers are not required shall be implemented notwithstanding any inability to obtain federal waivers for the other provisions. No provision of this subdivision shall be implemented unless matching funds from Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are available.

(v) Early and periodic screening, diagnosis, and treatment for any individual under 21 years of age is covered, consistent with the requirements of Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(w) Hospice service which is Medicare-certified hospice service is covered, subject to utilization controls. Coverage shall be available only to the extent that no additional net program costs are incurred.

(x) When a claim for treatment provided to a beneficiary includes both services which are authorized and reimbursable under this chapter, and services which are not reimbursable under this chapter, that portion of the claim for the treatment and services authorized and reimbursable under this chapter shall be payable.

(y) Home- and community-based services approved by the United States Department of Health and Human Services for beneficiaries with a diagnosis of AIDS or ARC, who require intermediate care or a higher level of care.

Services provided pursuant to a waiver obtained from the Secretary of the United States Department of Health and Human Services pursuant to this subdivision, and which are not otherwise included in the Medi-Cal schedule of benefits, shall be available only to the extent that federal financial participation for these services is available in accordance with the waiver, and subject to the terms, conditions, and duration of the waiver. These services shall be provided to individual beneficiaries in accordance with the client's needs as identified in the plan of care, and subject to medical necessity and applicable utilization control.

The director may under this section contract with organizations qualified to provide, directly or by subcontract, services provided for in this subdivision to eligible beneficiaries. Contracts or agreements entered into pursuant to this division shall not be subject to the Public Contract Code.

(z) Respiratory care when provided in organized health care systems as defined in Section 3701 of the Business and Professions Code, and as an in-home medical service as outlined in subdivision (s).

(aa) (1) There is hereby established in the department, a program to provide comprehensive clinical family planning services to any person who has a family income at or below 200 percent of the federal poverty level, as revised annually, and who is eligible to receive these services pursuant to the waiver identified in paragraph (2). This program shall be known as the Family Planning, Access, Care, and Treatment (Family PACT) Program.

(2) The department shall seek a waiver in accordance with Section 1315 of Title 42 of the United States Code, or a state plan amendment adopted in accordance with Section 1396a(a)(10)(A)(ii)(XXI)(ii)(2) of Title 42 of the United States Code, which was added to Section 1396a of Title 42 of the United States Code by Section 2303(a)(2) of the federal Patient Protection and Affordable Care Act (PPACA) (Public Law 111-148), for a program to provide comprehensive clinical family planning services as described in paragraph (8). Under the waiver, the program shall be operated only in accordance with the waiver and the statutes and regulations in paragraph (4) and subject to the terms, conditions, and duration of the waiver. Under the state plan amendment, which shall replace the waiver and shall be known as the Family PACT successor state plan amendment, the program shall be operated only in accordance with this subdivision and the statutes and regulations in paragraph (4). The state shall use the standards and processes imposed by the state on January 1, 2007, including the application of an eligibility discount factor to the extent required by the federal Centers for Medicare and Medicaid Services, for purposes of determining eligibility as permitted under Section 1396a(a)(10)(A)(ii)(XXI)(ii)(2) of Title 42 of the United States Code. To the extent that federal financial participation is available, the program shall continue to conduct education, outreach, enrollment, service delivery, and evaluation services as specified under the waiver. The services shall be provided under the program only if the waiver and, when applicable, the successor state plan amendment are approved by the federal Centers for Medicare and Medicaid Services and only to the extent that federal financial participation is available for the services. Nothing in this section shall prohibit the department from seeking the Family PACT successor state plan amendment during the operation of the waiver.

(3) Solely for the purposes of the waiver or Family PACT successor state plan amendment and notwithstanding any other provision of law, the collection and use of an individual's social security number shall be necessary only to the extent required by federal law.

(4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005, and 24013, and any regulations adopted under these statutes shall apply to the program provided for under this subdivision. No other provision of law under the Medi-Cal program or the State-Only Family Planning Program shall apply to the program provided for under this subdivision.

(5) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may

implement, without taking regulatory action, the provisions of the waiver after its approval by the federal Health Care Financing Administration and the provisions of this section by means of an all-county letter or similar instruction to providers. Thereafter, the department shall adopt regulations to implement this section and the approved waiver in accordance with the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(6) In the event that the Department of Finance determines that the program operated under the authority of the waiver described in paragraph (2) or the Family PACT successor state plan amendment is no longer cost effective, this subdivision shall become inoperative on the first day of the first month following the issuance of a 30-day notification of that determination in writing by the Department of Finance to the chairperson in each house that considers appropriations, the chairpersons of the committees, and the appropriate subcommittees in each house that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee.

(7) If this subdivision ceases to be operative, all persons who have received or are eligible to receive comprehensive clinical family planning services pursuant to the waiver described in paragraph (2) shall receive family planning services under the Medi-Cal program pursuant to subdivision (n) if they are otherwise eligible for Medi-Cal with no share of cost, or shall receive comprehensive clinical family planning services under the program established in Division 24 (commencing with Section 24000) either if they are eligible for Medi-Cal with a share of cost or if they are otherwise eligible under Section 24003.

(8) For purposes of this subdivision, "comprehensive clinical family planning services" means the process of establishing objectives for the number and spacing of children, and selecting the means by which those objectives may be achieved. These means include a broad range of acceptable and effective methods and services to limit or enhance fertility, including contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, natural family planning, abstinence methods, and basic, limited fertility management. Comprehensive clinical family planning services include, but are not limited to, preconception counseling, maternal and fetal health counseling, general reproductive health care, including diagnosis and treatment of infections and conditions, including cancer, that threaten reproductive capability, medical family planning treatment and procedures, including supplies and followup, and informational, counseling, and educational services. Comprehensive clinical family planning services shall not include abortion, pregnancy testing solely for the purposes of referral for abortion or services ancillary to abortions, or pregnancy care that is not incident to the diagnosis of pregnancy. Comprehensive clinical family planning services shall be subject to utilization control and include all of the following:

(A) Family planning related services and male and female sterilization. Family planning services for men and women shall include emergency

services and services for complications directly related to the contraceptive method, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies, and followup, consultation, and referral services, as indicated, which may require treatment authorization requests.

(B) All United States Department of Agriculture, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies that are in keeping with current standards of practice and from which the individual may choose.

(C) Culturally and linguistically appropriate health education and counseling services, including informed consent, that include all of the following:

(i) Psychosocial and medical aspects of contraception.

(ii) Sexuality.

(iii) Fertility.

(iv) Pregnancy.

(v) Parenthood.

(vi) Infertility.

(vii) Reproductive health care.

(viii) Preconception and nutrition counseling.

(ix) Prevention and treatment of sexually transmitted infection.

(x) Use of contraceptive methods, federal Food and Drug Administration approved contraceptive drugs, devices, and supplies.

(xi) Possible contraceptive consequences and followup.

(xii) Interpersonal communication and negotiation of relationships to assist individuals and couples in effective contraceptive method use and planning families.

(D) A comprehensive health history, updated at the next periodic visit (between 11 and 24 months after initial examination) that includes a complete obstetrical history, gynecological history, contraceptive history, personal medical history, health risk factors, and family health history, including genetic or hereditary conditions.

(E) A complete physical examination on initial and subsequent periodic visits.

(F) Services, drugs, devices, and supplies deemed by the federal Centers for Medicare and Medicaid Services to be appropriate for inclusion in the program.

(9) In order to maximize the availability of federal financial participation under this subdivision, the director shall have the discretion to implement the Family PACT successor state plan amendment retroactively to July 1, 2010.

(ab) (1) Purchase of prescribed enteral nutrition products is covered, subject to the Medi-Cal list of enteral nutrition products and utilization controls.

(2) Purchase of enteral nutrition products is limited to those products to be administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube. Beneficiaries under the Early and

Periodic Screening, Diagnosis, and Treatment Program shall be exempt from this paragraph.

(3) Notwithstanding paragraph (2), the department may deem an enteral nutrition product, not administered through a feeding tube, including, but not limited to, a gastric, nasogastric, or jejunostomy tube, a benefit for patients with diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism, if the product has been shown to be neither investigational nor experimental when used as part of a therapeutic regimen to prevent serious disability or death.

(4) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement the amendments to this subdivision made by the act that added this paragraph by means of all-county letters, provider bulletins, or similar instructions, without taking regulatory action.

(5) The amendments made to this subdivision by the act that added this paragraph shall be implemented June 1, 2011, or on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section, whichever is later.

(ac) Diabetic testing supplies are covered when provided by a pharmacy, subject to utilization controls.

SEC. 206. Section 14133.9 of the Welfare and Institutions Code is amended to read:

14133.9. The implementation of prior authorization permitted by subdivision (a) of Section 14133 shall be subject to all of the following provisions:

(a) The department shall secure a toll free phone number for the use of providers of Medi-Cal services listed in Section 14132. For providers, the department shall provide access to an individual knowledgeable in the program to provide Medi-Cal providers with information regarding available services. Access shall include a toll-free phone number that provides reasonable access to that person. The number shall be operated 24 hours a day, seven days a week.

(b) For major categories of treatment subject to prior authorization, the department shall publicize and continue to develop its list of objective medical criteria that indicate when authorization should be granted. Any request meeting these criteria, as determined by the department, shall be approved, or deferred as authorized in subdivision (e) by specific medical information.

(c) The objective medical criteria required by subdivision (d) shall be adopted and published in accordance with the Administrative Procedure Act, and shall be made available at appropriate cost.

(d) When a proposed treatment meets objective medical criteria, and is not contraindicated, authorization for the treatment shall be provided within an average of five working days. When a treatment authorization request is not subject to objective medical criteria, a decision on medical necessity shall be made by a professional medical employee or contractor of the department within an average of five working days.

(e) Notwithstanding the provisions of subdivisions (c) and (d), the department shall adopt, by emergency regulations as provided by this subdivision, a list of elective services that the director determines may be nonurgent. In determining these services, the department shall be guided by commonly accepted medical practice parameters. Authorization for these services may be deferred for a period of up to 90 days. In making determinations regarding these referrals, the department may use criteria separate from, or in addition to, those specified in subdivision (c). These deferrals shall be determined through the treatment authorization request process. When a proposed service is on the list of elective services that the director determines may be considered nonurgent, authorization for the service shall be granted or deferred within an average of 10 working days. The State Department of Health Services may adopt emergency regulations to implement this subdivision in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The initial adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety or general welfare. Initial emergency regulations and the first readoption of those regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this subdivision shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and shall remain in effect for no more than 120 days.

(f) Final decisions of the department on denial of requests for prior authorization for inpatient acute hospital care shall be reviewable upon request of a provider by a Professional Standards Review Organization established pursuant to Public Law 92-603, or a successor organization if either of the following applies:

(1) The original decision on the request was not performed by a Professional Standards Review Organization, or its successor organization.

(2) The original decision on the request was performed by a Professional Standards Review Organization, or its successor organization, and the original decision was reversed by the department. The department shall contract with one or more of these organizations to, among other things, perform the review function required by this subdivision. The review performed by the contracting organization shall result in a finding that the department's decision is either appropriate or unjustified, in accordance with existing law, regulation, and medical criteria. The cost of each review shall be borne by the party that does not prevail.

The decision of this body shall be reviewable by civil action.

(g) This section, and any amendments made to Section 14103.6 by Assembly Bill 2254 of the 1985–86 Regular Legislative Session, shall not apply to treatment or services provided under contracts awarded by the department under which the contractor agrees to assume the risk of utilization or costs of services.

SEC. 207. Section 14161 of the Welfare and Institutions Code is amended to read:

14161. Carriers and providers of Medi-Cal benefits shall be required to utilize uniform accounting and cost-reporting systems as shall be developed and adopted by the department. If any other provision of law provides for uniform accounting and cost-reporting systems for hospitals, the department shall adopt these systems.

Carriers and providers of Medi-Cal benefits shall provide cost information to the department as is necessary in order to conduct studies to determine payment for services provided under this chapter, including but not limited to copies of any Medicare cost reports and settlements, and any Medicare audit reports.

Failure to comply with the provisions of this section shall be cause for suspension from participation under this chapter.

The department shall conduct such studies as necessary to determine payments for services provided under this chapter.

SEC. 208. Section 14521.1 of the Welfare and Institutions Code is amended to read:

14521.1. If a conflict exists between existing regulations and adult day health care laws in effect on and after January 1, 2007, the department shall, until new regulations are adopted, issue guidance to adult day health care providers through provider bulletins to clarify the adult day health care laws and regulations that are in effect.

SEC. 209. Section 14701 of the Welfare and Institutions Code is amended to read:

14701. (a) The State Department of Health Care Services, in collaboration with the State Department of Mental Health and the California Health and Human Services Agency, shall create a state administrative and programmatic transition plan, either as one comprehensive transition plan or separately, to guide the transfer of the Medi-Cal specialty mental health managed care and the EPSDT Program to the State Department of Health Care Services effective July 1, 2012.

(1) Commencing no later than July 15, 2011, the State Department of Health Care Services, together with the State Department of Mental Health, shall convene a series of stakeholder meetings and forums to receive input from clients, family members, providers, counties, and representatives of the Legislature concerning the transition and transfer of Medi-Cal specialty mental health managed care and the EPSDT Program. This consultation shall inform the creation of a state administrative transition plan and a programmatic transition plan that shall include, but is not limited to, the following components:

(A) Plan shall ensure it is developed in a way that continues access and quality of service during and immediately after the transition, preventing any disruption of services to clients and family members, providers and counties and others affected by this transition.

(B) A detailed description of the state administrative functions currently performed by the State Department of Mental Health regarding Medi-Cal specialty mental health managed care and the EPSDT Program.

(C) Explanations of the operational steps, timelines, and key milestones for determining when and how each function or program will be transferred. These explanations shall also be developed for the transition of positions and staff serving Medi-Cal specialty mental health managed care and the EPSDT Program, and how these will relate to, and align with, positions at the State Department of Health Care Services. The State Department of Health Care Services and the California Health and Human Services Agency shall consult with the Department of Personnel Administration in developing this aspect of the transition plan.

(D) A list of any planned or proposed changes or efficiencies in how the functions will be performed, including the anticipated fiscal and programmatic impacts of the changes.

(E) A detailed organization chart that reflects the planned staffing at the State Department of Health Care Services in light of the requirements of subparagraphs (A) through (C) and includes focused, high-level leadership for behavioral health issues.

(F) A description of how stakeholders were included in the various phases of the planning process to formulate the transition plans and a description of how their feedback will be taken into consideration after transition activities are underway.

(2) The State Department of Health Care Services, together with the State Department of Mental Health and the California Health and Human Services Agency, shall convene and consult with stakeholders at least twice following production of a draft of the transition plans and before submission of transition plans to the Legislature. Continued consultation with stakeholders shall occur in accordance with the requirement in subparagraph (F) of paragraph (1).

SEC. 210. Section 18901.2 of the Welfare and Institutions Code is amended to read:

18901.2. (a) It is the intent of the Legislature to create a program in California that provides a nominal Low-Income Home Energy Assistance Program (LIHEAP) service benefit, through the LIHEAP block grant, to all recipient households of CalFresh so that they are made aware of services available under LIHEAP and so that some households may experience an increase in federal Supplemental Nutrition Assistance Program benefits, as well as benefit from paperwork reduction.

(b) To the extent permitted by federal law, the State Department of Social Services (DSS) shall, in conjunction with the Department of Community Services and Development (CSD), design, implement, and maintain a utility assistance initiative: the “Heat and Eat” program.

(1) The nominal LIHEAP service benefit shall be funded through the LIHEAP block grant provided by the CSD to the DSS upon receipt by the CSD of the LIHEAP block grant funds from the federal funding authorities.

(2) The total amount transferred shall be the product of the nominal LIHEAP service benefit established by the CSD in the LIHEAP state plan multiplied by the number of CalFresh recipient households as agreed upon annually by the CSD and the DSS.

(3) The total amount transferred shall be reduced by any unexpended or reinvested amounts remaining from prior transfers for the nominal LIHEAP service benefits as provided in subparagraph (C) of paragraph (1) of subdivision (c).

(c) In implementing and maintaining the utility assistance initiative, the State Department of Social Services shall do all of the following:

(1) (A) Grant all recipient households of CalFresh benefits pursuant to this chapter a nominal LIHEAP service benefit out of the federal LIHEAP block grant (42 U.S.C. Sec. 8261 et seq.).

(B) In establishing the nominal LIHEAP service benefit amount, the department shall take into consideration that the benefit level need not provide significant utility assistance.

(C) Any funds allocated for this purpose not expended by CalFresh recipient households shall be recouped through the "Heat and Eat" program and reinvested into the program on an annual basis as determined by both departments.

(2) Provide the nominal LIHEAP service benefit without requiring the applicant or recipient to provide additional paperwork or verification.

(3) To the extent permitted by federal law and to the extent federal funds are available, provide the nominal LIHEAP service benefit annually to each recipient of CalFresh benefits.

(4) Deliver the nominal LIHEAP service benefit using the Electronic Benefit Transfer (EBT) system or other nonpaper delivery system.

(5) Ensure that receipt of the nominal LIHEAP service benefit pursuant to this section shall not disqualify the applicant or recipient of CalFresh benefits from receiving other nominal LIHEAP service benefits or other utility benefits for which they qualify.

(d) Recipients of the nominal LIHEAP service benefit pursuant to this section shall remain subject to the additional eligibility requirements for LIHEAP assistance as outlined in the California LIHEAP state plan, developed by the CSD.

(e) To the extent permitted by federal law, a CalFresh household receiving or anticipating receipt of nominal LIHEAP service benefits pursuant to the utility assistance initiative or any other law shall be entitled to use the full standard utility allowance (SUA) for the purposes of calculating CalFresh benefits. A CalFresh household shall be entitled to use the full SUA regardless of whether the nominal LIHEAP service benefit is actually redeemed.

(f) The department shall implement the initiative by January 1, 2013.

SEC. 211. Section 18993.8 of the Welfare and Institutions Code is amended to read:

18993.8. The department shall conduct a statewide independent evaluation of the program, assessing the program's effectiveness in achieving

stated outcomes as established by the department. The evaluation shall be performed only when for this purpose funds are appropriated in the annual Budget Act.

SEC. 212. Section 19106 of the Welfare and Institutions Code is repealed.

SEC. 213. Section 2 of Chapter 1133 of the Statutes of 1984, as, which amended Section 3 of the Statutes of 1984, is amended to read:

Sec. 2. Pursuant to its authority to examine factors for the distribution of proceeds of bonds authorized by the County Jail Capital Expenditure Bond Act of 1981 (Title 4.5 (commencing with Section 4400) of Part 3 of the Penal Code) as set forth in Section 4415 of the Penal Code, and pursuant to its authority to establish criteria for the availability of funds pursuant to the County Jail Capital Expenditure Bond Act of 1984 (Title 4.6 (commencing with Section 4450) of Part 3, Penal Code) as set forth in Section 4465 of the Penal Code, the Legislature establishes the following plan for the allocation of funds in the County Jail Capital Expenditure Fund established by Section 4412 of the Penal Code and the County Jail Capital Expenditure Fund established by Section 4462 of the Penal Code:

(a) Each county shall be required to pay 25 percent of the eligible project costs of its projects. However, the Director of Finance, after conferring with the Board of Corrections, has the authority to waive all or a portion of a county's match if the director concludes that a savings will result to the state from a county's not taking all of its maximum augmented allocation as set forth in subdivision (d), and as long as this does not result in the board being unable to fund any county's allocations under subdivision (c). The director may approve a match reduction on terms that he or she deems appropriate.

For the purposes of this section, "eligible project costs" shall mean those reasonable and necessary costs attendant to the construction of local jails, as may be defined by regulation by the Board of Corrections, as set forth in Sections 512 and 514 of Title 15 of the California Administrative Code, as it may be amended from time to time.

(b) The Board of Corrections shall enter into contracts for funding of projects approved by the board when the county is ready to proceed with construction. The county shall be deemed ready to proceed when it has done all of the following:

(1) Filed a final notice of determination on its environmental impact report.

(2) Certified that the county owns or has assured long-term possession of the site for the construction project.

(3) Received approval for compliance with minimum jail standards by the Board of Corrections and for compliance with fire safety regulations by the State Fire Marshal of the plans, specifications, and working drawings for the facility to be constructed or renovated.

(4) Received written approval from the board for any substantial revision of its statement of jail needs or planned construction.

(5) Received construction bids from contractors.

Construction shall be initiated within a reasonable time after the receipt of bids and shall proceed expeditiously, or the contract between the State of California and the county shall become void. The Board of Corrections shall by regulation, define what shall be a reasonable time for this purpose.

If the board concludes that a county's proposed construction or renovation contains serious design deficiencies which, while they would not require a refusal to enter into the contract, would seriously impair the facility's functions, it shall notify the sheriff and the board of supervisors of that county of the deficiencies at least one month prior to entering into a contract with that county. This letter shall be a public record.

The Board of Corrections shall not enter into contracts for amounts which would, if encumbered, exceed the balance remaining in both County Jail Capital Expenditure Funds established by Sections 4412 and 4462 of the Penal Code. The Board of Corrections shall administer and disburse funds under this act pursuant to its existing rules and regulations, as they may be amended from time to time, which are not inconsistent with this act.

Nothing in this act shall be deemed to forbid fast track construction procedures. At the county's request, the Board of Corrections shall enter into contractual commitments for the amount authorized in subdivision (c) when a county employing fast track procedures begins the initial construction phase. However, the Board of Corrections may make these full contractual commitments contingent upon necessary subsequent approvals of plans and specifications, as identified in this subdivision, and upon timely completion of phased construction. The Board of Corrections shall require environmental impact and site ownership or long term occupancy certifications, as identified in this subdivision, prior to entering into contractual commitments.

(c) The following projects shall be funded, subject to the provisions of this act, up to the maximum for each county as set forth in this subdivision.

Each county is assured the amount necessary to complete its project or projects as approved by the board as outlined in this subdivision, up to the maximum amount listed in this subdivision. Unexpended funds, due to lower construction costs, revisions or reduction in plans, or other changes mutually agreed upon by the county and the board, shall revert to the County Jail Capital Expenditure Fund for use in funding other projects of other counties provided for in this subdivision until all counties are provided for.

(1) The 27 county projects listed below for which the Board of Corrections in its allocation of February 16, 1984, pursuant to the County Jail Capital Expenditure Bond Act of 1981, approved an allocation of one million dollars ($1,000,000) or less for each county shall be authorized to be funded up to the following approved allocation:

Butte	$ 1,000,000
Calaveras	283,383
Del Norte	125,000
Glenn	1,000,000
Humboldt	471,067
Inyo	1,000,000

Marin	857,886
Mariposa	250,670
Mendocino	1,000,000
Mono	1,000,000
Monterey	959,475
Napa	1,000,000
Nevada	900,200
Placer	736,275
Plumas	900,000
San Benito	100,000
San Francisco	1,000,000
San Joaquin	1,000,000
San Luis Obispo	487,707
Santa Barbara	1,000,000
Santa Cruz	340,500
Sierra	125,000
Siskiyou	1,000,000
Sonoma	1,000,000
Stanislaus	933,000
Tuolumne	922,100
Yuba	355,233

(2) For the counties specified in this paragraph, the Board of Corrections shall determine for each county which project is the first priority project for the county based upon projects submitted by those counties to the board in 1983. Each of the following counties shall be funded up to the following allocation for its first priority project:

El Dorado	$ 11,194,500
Fresno	26,532,476
Kern	23,913,886
Kings	1,697,200
Merced	3,805,296
Riverside	29,500,000
San Diego	19,227,226

(3) Each of the following counties shall be funded up to the following allocation for the first priority project or first-priority projects submitted by it to the Board of Corrections in 1983:

Alameda	$ 84,100,000
Contra Costa	36,570,521
Los Angeles	96,000,000
Madera	8,512,500
Orange	50,193,087
Sacramento	62,025,000
San Mateo	8,178,100

Santa Clara	46,014,000
Solano	19,677,000
Tulare	17,079,300
Ventura	5,480,795
Yolo	9,892,500

Because two projects submitted by Los Angeles County are considered first-priority projects in meeting that county's critical jail needs, both shall be deemed first-priority projects under this definition. The same shall apply to the three projects submitted by San Mateo County.

(4) Funding for San Bernardino County shall be determined after that county submits its application for its first-priority project and after that county's application has been examined using the same guidelines applied to the applications of counties listed in paragraphs (1), (2), and (3) which were submitted to the Board of Corrections in November of 1983. San Bernardino County shall have a maximum authorization of fifteen million dollars ($15,000,000).

(5) Lake County and Lassen County shall follow the same procedure set forth in paragraph (4) and shall be permitted to apply for funding not to exceed one million dollars ($1,000,000) each.

(6) Funding of up to three million four hundred eighty-nine thousand three hundred thirty-eight dollars ($3,489,338) is authorized, subject to annual Budget Act appropriations, for any costs associated with the sale of bonds and any administrative costs incurred by the Board of Corrections.

(d) In addition to the allocations required by subdivision (c), the Board of Corrections is authorized to make additional allocations to projects included in the 1983 application or new application of counties specified in paragraphs (4) and (5) of subdivision (c) and to counties specified in this subdivision if the allocations would not result in any counties not receiving their allocations required under subdivision (c), subject to the requirements of subdivision (f), but in no case shall the total allocation exceed the following amounts:

(1) Large County Projects: Maximum Augmented Allocation If Extra Funds Become Available

Alameda	$ 84,100,000
Contra Costa	36,600,000
El Dorado	17,500,000
Fresno	28,200,000
Kern	26,500,000
Kings	2,400,000
Los Angeles	148,800,000
Madera	8,513,000
Merced	4,200,000
Orange	50,200,000
Riverside	31,542,000
Sacramento	62,025,000

San Bernardino 30,000,000
San Diego 22,500,000
San Mateo 8,200,000
Santa Clara 46,027,000
Solano 19,700,000
Tulare 17,100,000
Ventura 5,500,000
Yolo 9,893,000

(2) Small County Projects: Maximum Augmented Allocation if Extra Funds Become Available
Butte $1,085,300
Calaveras 283,383
Del Norte 125,000
Glenn 1,670,011
Humboldt 655,683
Inyo 1,003,500
Marin 857,886
Mariposa 250,708
Mendocino 1,875,000
Mono 1,209,241
Monterey 959,475
Napa 1,003,500
Nevada 900,150
Sierra 125,587
Placer 736,275
Plumas 900,000
San Benito 100,500
San Francisco 1,590,075
San Joaquin 2,187,545
San Luis Obispo 696,973
Santa Barbara 1,500,000
Santa Cruz 488,250
Siskiyou 2,181,750
Sonoma 4,500,000
Stanislaus 933,000
Tuolumne 922,125
Yuba 355,233

(3) Other county projects to be disbursed pursuant to rules and regulations established by the Board of Corrections to counties which made small project applications under the County Jail Capital Expenditure Bond Act of 1981.....$19,200,000

(e) At the request of a county, the board shall have authority to revise projects approved for a county, as provided in the board's February 1984, listing and as provided for in subdivision (c), if one or more of the following situations exist:

(1) Natural or manmade disasters, such as fire, flood, or earthquake, have seriously damaged or destroyed the county's jail facilities.

(2) Court orders seriously affecting jail population needs or housing have been issued after February 1984.

(3) The request of a county to revise its plans and priorities will result in an improved ability to meet jail needs or lower costs.

(4) Undue hardships or operational difficulties would result if original plans, as approved by the board in February 1984, are adhered to.

The funding for such a change may not exceed that listed in subdivision (c), unless there is legislative approval and a special appropriation.

Extra funding requests shall be submitted by the board in bill form once yearly in January, except in cases of emergency.

(f) Forty million dollars ($40,000,000) in earned interest on proceeds from the sale of bonds, plus unexpended funds from approved projects, shall be also allocated for the funding of projects specified in subdivision (c) or authorized by the Board of Corrections pursuant to subdivision (e), but not to exceed a county's maximum allocation under subdivision (c).

Following full funding for commitments in subdivision (c), any additional interest in excess of this amount, any unexpended funds, and any future bond issues for jail construction, or other fund sources that shall become available, shall be allocated first to Los Angeles County to a maximum of twenty-nine million dollars ($29,000,000), and then a maximum of nine million dollars ($9,000,000) to augment small county projects described in paragraph (1) of subdivision (c) for those counties that were not funded for 75 percent of project cost in the allocations of the Board of Corrections in February of 1984.

Available funds in excess of that described above in this subdivision shall be allocated by the board to the following counties specified in paragraph (2) of subdivision (c) which have had to postpone secondary or lesser projects originally approved by the board in its February, 1984, listing: El Dorado, Fresno, Merced, Riverside, San Diego, Kings, and Kern. The board shall review these postponed projects at the time funding becomes available to ascertain that they still fit in with the needs of these counties and may make revisions commensurate with funding available at that time.

Any remaining funds available after funding of projects described in this subdivision shall be allocated to other county projects to be disbursed pursuant to rules and regulations established by the Board of Corrections to counties which made small project applications under the County Jail Capital Expenditure Bond Act of 1981, to a total maximum amount not to exceed that provided in paragraph (3) of subdivision (d) and for counties' projects, up to the maximums specified in subdivision (d) under a system approved by the Board of Corrections.

(g) Within 60 days after this act becomes effective, the Department of Finance shall review the adequacy and appropriateness of the board's fiscal and contract regulations governing disbursement of funds and monitoring of projects once the projects are funded. These regulations address eligible cost issues, matching fund requirements, and contract management

provisions. Following these consultations, the board shall determine whether changes in regulations or administrative policies may be necessary or desirable.

Counties shall have the right of appeal to the Department of Finance regarding the regulations promulgated pursuant to this subdivision or interpretations thereof. The department's authority in these appeals shall be limited to advisory recommendations, which shall be provided to the board and the county within 45 days after an appeal is submitted by the county to the department.

(h) The Board of Corrections shall provide funding at the earliest opportunity to Sacramento and other counties that are ready to proceed with construction.

SEC. 214. Section 3 of Chapter 1397 of the Statutes of 1988 is repealed.

SEC. 215. Section 1 of Chapter 1436 of the Statutes of 1988 is amended to read:

Section 1. Notwithstanding Sections 13340 and 16361 of the Government Code, and to the extent permitted by federal law, the sum of twenty-five million two hundred eighty-five thousand dollars ($25,285,000) of the money in the Federal Trust Fund, created pursuant to Section 16360 of the Government Code, received by the state either from federal oil overcharge funds in the petroleum violations escrow account, as defined by Section 155 of the Further Continuing Appropriations Act of 1983 (Public Law 97-377) or by any other federal law, or from federal oil overcharge funds available pursuant to court judgments or federal agency orders, is hereby appropriated for allocation as follows:

(a) Twenty million dollars ($20,000,000) to the Department of Economic Opportunity to be used over a three-year period as follows:

(1) Ten million dollars ($10,000,000) for the Energy Crisis Intervention Program provided under subdivision (d) of Section 16367.5 of the Government Code, to be allocated for pilot projects which are designed to provide program services aimed at increasing the self-sufficiency of low-income persons. The department shall, as soon as practicable, enter into contracts with nonprofit community action agencies and community-based organizations eligible to administer energy crisis intervention program funds, and shall require contractors receiving funds under this paragraph to conduct pilot projects, as determined to be appropriate by the department, involving one or more of the following:

(A) Establishment of a mandatory referral system of energy crisis intervention program recipients to the department's weatherization program.

(B) Development of a copayment plan to require energy crisis intervention program applicants to pay for a portion of the delinquent energy bill, or assisting clients with arranging for an affordable payment plan.

(C) Development of a process to assist energy crisis intervention applicants to enter into agreements with energy utility companies to pay their utility bills in levelized payments throughout the year.

(D) Development of a program to maximize the number of clients served during the year by employing methods including limiting assistance to one time per year per client.

(E) Establishment of an education program to provide information to energy crisis intervention program clients which would promote long-term reductions in utility bills.

(F) Establishment of procedures to eliminate any person from receiving energy crisis intervention program assistance for a current, as opposed to a delinquent, utility bill. Department contracts for implementing the pilot projects set forth in subparagraphs (A) to (F), inclusive, shall include provisions for providing special consideration or exemptions for senior citizens, for persons with life-threatening medical conditions, and for other severely handicapped individuals who would suffer substantial hardship if compelled to comply with this paragraph.

(2) Ten million dollars ($10,000,000) for the home energy assistance program provided under subdivision (e) of Section 16367.5 of the Government Code.

(b) Five million two hundred eighty-five thousand dollars ($5,285,000) to the State Energy Resources Conservation and Development Commission to be used as follows:

(1) Four million dollars ($4,000,000) to be used for the Institutional Conservation Program, Schools and Hospitals Grants Program, to furnish up to 50 percent matching grant funds for technical assistance studies and the installation of energy efficiency measures in public and nonprofit private schools and hospitals.

(2) One million dollars ($1,000,000) to be deposited in the Energy Technologies Research, Development, and Demonstration Account in the General Fund to be used to carry out new energy technology demonstration contract research projects pursuant to Chapter 7.8 (commencing with Section 25680) of Division 15 of the Public Resources Code.

(3) Two hundred eighty-five thousand dollars ($285,000) to establish an intervenor award program, administered by the commission's Public Advisor, to provide intervenors facing financial hardship with reasonable awards to pay for the costs of participating in commission proceedings other than those conducted under Chapter 6 (commencing with Section 25500) of Division 15 of the Public Resources Code. The commission and the Public Advisor shall implement the intervenor award program within eight months after receipt of these funds, and shall report to the Legislature on the program's status within two years after receipt of the funds.

SEC. 216. Resolution Chapter 173 of the Statutes of 1989 is repealed.

SEC. 217. Resolution Chapter 12 of the Statutes of 1990 is repealed.

SEC. 218. Section 5 of Chapter 585 of the Statutes of 1993 is amended to read:

Sec. 5. (a) The Department of Corrections is hereby authorized to construct and establish a secure substance abuse treatment facility for minimum and medium security inmates at a location to be determined by the department.

(b) Only inmates who have a history of substance abuse shall be housed in the secure substance abuse treatment facility. The department shall give priority to housing inmates in the facility who the department determines meet all of the following criteria:

(1) The inmate desires to participate in substance abuse treatment.

(2) The inmate is incarcerated for crimes in which substance abuse was a contributing factor.

(3) The inmate has sufficient time remaining on his or her commitment to complete a full substance abuse treatment program while incarcerated.

(c) The secure substance abuse treatment facility shall be a minimum and medium security facility and shall house only inmates determined to be either Level I or Level II security levels as determined by the department's inmate classification system. The facility shall be designed specifically to provide intensive substance abuse treatment to all inmates housed in the facility.

(d) All inmates housed in the secure substance abuse treatment facility shall receive comprehensive substance abuse treatment. Treatment shall be multifaceted and highly structured with clearly defined rules and explicit expectation with regard to inmate behavior. Programs shall reinforce positive behavior and encourage inmates to develop social skills through limited self-government within treatment groups. Treatments shall include, but not be limited to, individual and group substance abuse counseling and workshops, victim awareness, academic and vocational education, physical fitness, drug testing, and planning for successful and sober reentry upon parole. The existing institutional treatment components of the Right-Turn Program at the R.J. Donovan Correctional Facility and the Female Offender Substance Abuse Program at the California Institute for Women and their aftercare components shall serve as models for these treatment programs.

(e) The same range and intensity of treatment services shall be available to inmates whenever the facility is operated at a level that is greater than its designed bed capacity.

(f) The department shall monitor the progress of parolees released from the secure substance abuse treatment facility.

SEC. 219. Section 3 of Chapter 1030 of the Statutes of 1993 is amended to read:

Sec. 3. (a) The State Department of Health Services shall convene a workgroup to address the policy issues related to the development of a pediatric service continuum. The workgroup shall seek input from clinicians and other interested and knowledgeable parties, and shall develop emergency regulations and a reimbursement structure for services to technology dependent children with special needs no later than April 1, 1994.

(b) The department shall continue the efforts of the workgroup beyond April 1, 1994, to address the policy issues related to the development of other services necessary to define and provide a pediatric service continuum that addresses the needs of other children with special health care needs. Those services, subject to the availability of federal financial participation, may include, but are not limited to, the provision of pediatric day health

and respite care facility services, as defined in Section 1760.2 of the Health and Safety Code, and congregate living health facility services, as defined in subdivision (i) of Section 1250 of the Health and Safety Code.

SEC. 220. Section 1 of Chapter 452 of the Statutes of 1996 is repealed.

SEC. 221. Section 1 of Chapter 561 of the Statutes of 1997 is amended to read:

Section 1. (a) It is the intent of the Legislature in enacting this act to establish a pilot project relative to group homes, for the purpose of reducing complaints to the State Department of Social Services, by encouraging residents to work with group home operators to resolve concerns. The pilot project shall be limited to San Bernardino County.

(b) It is further the intent of the Legislature that the pilot project be designed to measure the increase or decrease in complaints to the Inland Empire Office-Residential of the State Department of Social Services about group homes located in San Bernardino County, as a result of the pilot project.

(c) The pilot project shall be deemed successful if, at the conclusion of the pilot project, monthly complaints to the Inland Empire Office-Residential of the State Department of Social Services about group homes located in San Bernardino County have been reduced by at least 10 percent, compared to the number of complaints that were received prior to the initiation of the pilot project.

(d) For purposes of this act, "group home" means any facility of any capacity that provides 24-hour nonmedical care and supervision to children in a structured environment with the services provided at least in part by staff employed by the licensee.

(e) This act shall not apply to family homes certified by foster family agencies, foster family homes, and small family homes. It is not the intent of the Legislature that this act be applied in a discriminatory manner.

(f) The pilot project established by this act shall terminate on January 1, 2001.

SEC. 222. Section 4 of Chapter 1299 of the Statutes of 1992, as amended by Sections 3 of Chapter 751 of the Statutes of 1997, is repealed.

SEC. 223. Section 8 of Chapter 329 of the Statutes of 2000 is amended to read:

Sec. 8. The sum of fifty-seven million five hundred thousand dollars ($57,500,000) is hereby appropriated from the General Fund to the State Controller for the following purposes:

(a) Five million two hundred thousand dollars ($5,200,000) to fund temporary staff resources, including, but not limited to, limited term positions, not to exceed four years, at the Energy Resources Conservation and Development Commission, the agencies, boards, and departments within the California Environmental Protection Agency, and the Resources Agency, with jurisdiction over electrical powerplant siting and conservation and demand side management programs, for the exclusive purpose of implementing programs pursuant to this act.

(b) It is the intent of the Legislature that these funds for staff resources be expended exclusively to implement programs that achieve the maximum feasible cost-effective energy conservation and efficiency while providing the necessary staff resources to expedite siting of electrical powerplants that meet the criteria established pursuant to the act adding this section.

(c) Two million three hundred thousand dollars ($2,300,000) to the Public Utilities Commission, to fund temporary staff resources, including limited term positions not to exceed four years, and to implement the programs established pursuant to this act.

(d) Fifty million dollars ($50,000,000) to the Energy Resources Conservation and Development Commission, to implement cost-effective energy conservation and demand-side management programs established pursuant to Section 25555 of the Public Resources Code, as enacted by this act. The commission shall prioritize conservation and demand-side management programs funded pursuant to this subdivision to ensure that those programs that achieve the most immediate and cost-effective energy savings are undertaken as a first priority.

SEC. 224. Section 2 of Chapter 790 of the Statutes of 2000 is amended to read:

Sec. 2. Notwithstanding the repeal of Division 10.5 (commencing with Section 12200) of the Public Resources Code on January 1, 2007, by Section 12291 of the Public Resources Code, the Department of Forestry and Fire Protection shall provide for monitoring of conservation easements purchased pursuant to former Division 10.5 (commencing with Section 12200) of the Public Resources Code in order to assess the condition of resources being protected, and to ensure that the terms of the easement are being met pursuant to a given conservation easement.

SEC. 225. Section 51 of Chapter 171 of the Statutes of 2001 is repealed.

SEC. 226. Section 5 of Chapter 7 of the Statutes of 2001, First Extraordinary Session, is amended to read:

Sec. 5. In order to achieve a total reduction in peak electricity demand of not less than 2,585 megawatts, the sum of seven hundred eight million nine hundred thousand dollars ($708,900,000) is hereby appropriated from the General Fund to the Controller for allocation according to the following schedule:

(a) In order to achieve a reduction in peak electricity demand and meet urgent needs of low-income households, two hundred forty-six million three hundred thousand dollars ($246,300,000) for allocation by the Public Utilities Commission for the customers of electric and gas corporations subject to commission jurisdiction, to be expended in the following amounts:

(1) Fifty million dollars ($50,000,000) to encourage the purchase of energy efficient equipment, and retirement of inefficient appliances and improvements in the efficiency of high-efficiency heating, ventilating, and air-conditioning (HVAC) equipment insulation or other efficiency measures. Any funds expended pursuant to this paragraph for the purchase of refrigerators, air-conditioning equipment, and other similar residential appliances shall be expended pursuant to the following criteria:

(A) Priority for the expenditure of funds shall be given for the purchase or retirement of those appliances in low- and moderate-income households, and for the replacement of the oldest and least efficient appliances.

(B) Any retirement of residential equipment and appliances undertaken pursuant to this paragraph shall be undertaken in a manner that protects public health and the environment. Nothing in this paragraph affects the requirements of Article 10.1 (commencing with Section 25211) of Chapter 6.5 of Division 20 of the Health and Safety Code and Chapter 3.5 (commencing with Section 42160) of Part 3 of Division 30 of the Public Resources Code.

(2) One hundred million dollars ($100,000,000) to provide immediate assistance to electric or gas utility customers enrolled in, or eligible to be enrolled in, the California Alternative Rates for Energy (CARE) Program established pursuant to Section 739.1 of the Public Utilities Code. Funds appropriated pursuant to this paragraph shall be expended to increase and supplement CARE discounts and to increase enrollment in the CARE program. These funds shall be available to assist those customers enrolled or eligible for CARE who are on payment arrangements or have current or pending overdue notices due to increases in energy rates. Not more than 10 percent of the funds appropriated in this subdivision shall be allocated for mass marketing to increase enrollment. The funding provided in this subdivision is intended to supplement, but not replace, surcharge-generated revenues utilized to fund the CARE program.

(3) Twenty million dollars ($20,000,000) to augment funding for low-income weatherization services provided pursuant to Section 2790 of the Public Utilities Code, and to fund other energy efficient measures to assist low-income energy users.

(4) Sixteen million three hundred thousand dollars ($16,300,000) for high-efficiency and ultra-low-polluting pump and motor retrofits for oil or gas, or both, producers and pipelines. For the purposes of this paragraph, “ultra low polluting” means retrofit equipment which exceeds the requirements for best available control technology within the air district in which the pump or motor is located.

(5) Sixty million dollars ($60,000,000) to provide incentives to encourage replacement of low-efficiency lighting with high-efficiency lighting systems.

(b) In order to achieve a reduction in peak electricity demand, two hundred eighty-two million six hundred thousand dollars ($282,600,000) to the State Energy Resources Conservation and Development Commission (hereafter the Energy Commission), to be expended in the following amounts for the following purposes:

(1) Sixty million dollars ($60,000,000) for allocation by the Energy Commission to locally owned public utilities for energy efficiency, peak demand reduction, and low income assistance measures in the service areas of the locally owned public utilities analagous to those measures and programs funded in the service areas of the electric and gas corporations subject to the jurisdiction of the Public Utilities Commission pursuant to subdivision (a).

To the extent that any of the funds allocated to the locally owned public utilities are used to encourage the purchase of energy efficiency equipment and retirement of inefficient appliances and improvements in the efficiency of high-efficiency heating, ventilating, and air-conditioning (HVAC) equipment insulation, and other efficiency measures, funds expended pursuant to this paragraph for the purchase of refrigerators, air-conditioning equipment, and other similar residential appliances shall be expended pursuant to the following criteria:

(i) Priority for expenditure of funds shall be given for the purchase of those appliances in low- and moderate-income households, and for the replacement of the oldest and least efficient appliances.

(ii) Any retirement of residential equipment and appliances undertaken pursuant to this paragraph shall be undertaken in a manner that protects public health and the environment. Nothing in this paragraph affects the requirements of Article 10.1 (commencing with Section 25211) of Chapter 6.5 of Division 20 of the Health and Safety Code and Chapter 3.5 (commencing with Section 42160) of Part 3 of Division 30 of the Public Resources Code.

(2) Thirty-five million dollars ($35,000,000) to implement programs to improve demand-responsiveness in heating, ventilation, air-conditioning, lighting, advanced metering of energy usage, and other systems in buildings. Of the amount appropriated pursuant to this paragraph, ten million dollars ($10,000,000) shall be used to encourage the purchase and installation of advanced metering and telemetry equipment for agricultural and water pumping customers in order to improve load management and demand responsiveness techniques particularly applicable to this sector.

(3) Thirty-five million dollars ($35,000,000) to implement a low-energy usage building materials program, and other measures to lower air-conditioning usage in schools, colleges, universities, hospitals, and other nonresidential buildings. These funds shall not be available for community college facilities if Assembly Bill 29 of the First Extraordinary Session is enacted, becomes effective, and provides funding for energy efficiency measures to the community college from the Proposition 98 Reversion Account.

(4) Fifty million dollars ($50,000,000) to implement a program to encourage third parties to implement innovative peak demand reduction measures.

(A) Of the amount appropriated pursuant to this paragraph, ten million dollars ($10,000,000) shall be used for the California Agricultural Pump Energy Program to facilitate the efficiency testing of existing agricultural water pumps and to provide incentives for the retrofitting of pumps to increase efficiency as necessary. Up to one million dollars ($1,000,000) of those funds shall be used for grants to local public agencies to enhance and expedite the testing of agricultural water pumps.

(B) Of the amount appropriated pursuant to this paragraph, not more than one million dollars ($1,000,000) shall be expended by the commission to fund one-time startup costs for innovative voluntary programs to reduce

air emissions through energy conservation and related actions pursuant to programs authorized by law in effect on the effective date of this act.

(5) Seventy-five million dollars ($75,000,000) to implement programs to reduce peak load electricity usage, encourage bio-gas digestion power production technologies, enhance conservation and encourage the use of alternative fuels, including, but not limited to instate natural gas resources for the agricultural and water pumping sector. These funds shall be allocated by the Energy Commission, in the form of rebates or grants, in the following amounts for the following purposes:

(A) Forty-five million dollars ($45,000,000) to encourage the purchase of high efficiency electrical agricultural equipment, installed, on or after January 1, 2001, and incentives for overall electricity conservation efforts. Eligible equipment shall include, but not be limited to, lighting, refrigeration, or cold storage equipment. Any agricultural energy conservation incentive program shall recognize the increased demand due to currently reduced water supply conditions.

(B) Fifteen million dollars ($15,000,000) to offset the costs of retrofitting existing natural gas powered equipment to burn alternative fuels, including, but not limited to, instate produced “non-spec” or “off-spec” natural gas.

(C) Fifteen million dollars ($15,000,000) in grants to be used for pilot projects designed to encourage the development of bio-gas digestion power production technologies.

(i) Ten million dollars ($10,000,000) of these funds shall be used to provide grants for the purpose of encouraging the development of manure methane power production projects on California dairies.

(ii) Five million dollars ($5,000,000) of these funds shall be used to provide grants to reduce peak usage in southern California by revision of system operations to produce replacement energy as a byproduct of the anaerobic digestion of bio-solids and animal wastes.

(6) Ten million dollars ($10,000,000) to provide incentives for installation of light-emitting diode (LED) traffic signals.

(7) Seven million dollars ($7,000,000) to implement a program to teach school children about energy efficiency in the home and at school.

(8) Ten million dollars ($10,000,000) for incentives for the retrofit of existing distributed generation owned and operated by municipal water districts to replace diesel and natural gas generation with cleaner technology that reduces oxides of nitrogen emissions. Funds expended pursuant to this paragraph shall be expended exclusively for retrofit equipment that meets or exceeds the requirements for best available control technology within the air district in which the distributed generation owned and operated by a municipal water district is located, or with standards adopted by the State Air Resources Board pursuant to Section 41514.9 of the Health and Safety Code upon the effective date of those standards. Technologies eligible pursuant to this paragraph include natural gas reciprocating engines, microturbines, fuel cells, and wind and solar energy renewable technologies.

(9) Six hundred thousand dollars ($600,000) for four personnel-years to improve the ability of the Energy Commission to provide timely and accurate assessments of electricity and natural gas markets.

(c) Except for funds expended to implement programs established pursuant to Section 25555 of the Public Resources Code, for which the Public Utilities Commission or the Energy Commission has adopted and published guidelines pursuant to that section, funds appropriated pursuant to subdivisions (a) and (b) shall be expended pursuant to guidelines adopted by each commission. The guidelines shall be exempt from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of the Division 3 of Title 2 of the Government Code and shall do all of the following:

(1) Establish cost-effectiveness criteria for programs funded. Within 10 days from the date of the adoption of criteria pursuant to this paragraph, each commission shall provide a copy of the criteria to the Chairperson of the Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor.

(2) Limit administrative costs to not more than 2 ½ percent of the amount of the funds expended. For the purposes of this paragraph, "administrative costs" means commission personnel and overhead costs associated with the implementation of each measure or program. However, "administrative costs" does not include costs associated with marketing or evaluation of a measure of a program, including any two-year limited positions, as approved by the Department of Finance, necessary to implement the programs.

(3) Allow reasonable flexibility to shift funds among program categories in order to achieve the maximum feasible amount of energy conservation, peak load reduction, and energy efficiency by the earliest feasible date.

(4) Establish matching fund criteria that, except for funds appropriated pursuant to paragraphs (2) and (3) of subdivision (a), ensure that entities eligible to receive funds appropriated pursuant to subdivisions (a) and (b) pay an appropriate share of the cost of acquiring or installing measures to achieve the maximum feasible amount of energy conservation, peak load reduction, and energy efficiency by the earliest feasible date.

(5) Establish mechanisms and criteria that ensure that funds expended pursuant to this section through electric and gas corporations are not seized by the creditors of those corporations in the event of a bankruptcy. In implementing this paragraph, the commissions shall adopt mechanisms such as the segregation of funds by the electric or gas corporation, the holding of those funds in trust until they are expended, and the reversion of funds to the General Fund in the event of bankruptcy.

(6) Establish tracking and auditing procedures to ensure that funds are expended in a manner consistent with this act.

(d) Within six months of the effective date of this section, each commission shall contract for an independent audit of the expenditures made pursuant to subdivisions (a) and (b) for the purpose of determining whether the funds achieved demonstrable energy peak demand reduction while limiting administrative costs associated with expenditures made pursuant

to those subdivisions. Within one year of the effective date of this section, each commission shall submit the audit prepared pursuant to this paragraph to the Chairperson of the Joint Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor.

(e) Ten million dollars ($10,000,000) to the Department of Consumer Affairs to implement a public awareness program to reduce peak electricity usage. Any public awareness program to reduce peak electricity usage conducted by the Department of Consumer Affairs after November 30, 2001, shall be conducted pursuant to a contract in accordance with Article 4 (commencing with Section 10335) of Chapter 2 of the Public Contract Code. The department shall ensure that the program includes the use of nontraditional mass media, including, but not limited to, the use of community based organizations, mass media in different languages, and media targeted to low-income and ethnically diverse communities.

(f) Fifty million dollars ($50,000,000) to the Department of General Services to be expended for the purposes of implementing Chapter 3.5 (commencing with Section 4240) of Division 5 of Title 1 of the Government Code. The department shall limit its administrative costs to not more than 2½ percent of the funds expended. For the purposes of this paragraph, "administrative costs" means personnel and overhead costs associated with implementation of each measure or program. However, "administrative costs" does not include costs associated with marketing or evaluation of a measure or program.

(g) One hundred twenty million dollars ($120,000,000) to the Department of Community Services and Development for the purpose of supplementing the Low-Income Home Energy Assistance Program (LIHEAP). The department may also use these funds for the purposes of increasing participation in the LIHEAP program. The department shall use funds appropriated pursuant to this paragraph in the following manner:

(1) The department shall implement a California Low-Income Home Energy Assistance Program (LIHEAP). Services provided by California's LIHEAP shall be designed to do both of the following:

(A) Increase energy conservation and reduce demand for energy services in low-income households.

(B) Assure that the most vulnerable households cope with high energy costs.

(2) The program shall include weatherization and conservation services, energy crisis intervention services, and cash assistance payments.

(3) (A) Eligibility for California LIHEAP shall include households with incomes that do not exceed the greater of either of the following:

(i) An amount equal to 60 percent of the state median income.

(ii) An amount equal to 80 percent of the county median income.

(B) In no area shall eligibility be provided to households whose income is greater than 250 percent of the federal poverty level for this state.

(4) The department shall examine the penetration of other energy programs, including, but not limited to, those provided through federal

LIHEAP, utility companies, and other parties, to identify the adequacy of services to elderly persons, disabled persons, limited-English-speaking persons, migrant and seasonal farmworkers and households with very young children. California LIHEAP funds shall be distributed so as to ensure that vulnerable populations have comparable access to energy programs.

(5) The department shall ensure that services under California LIHEAP are delivered using all of the following requirements:

(A) The department shall establish reasonable limits for expenditures, including up to 15 percent for outreach and training for consumers.

(B) Grantee agencies shall do special outreach to vulnerable households, including outreach to senior centers, independent living centers, welfare departments, regional centers, and migrant and seasonable farmworkers.

(C) Grantee agencies shall be required to coordinate with other low-income energy programs, and to demonstrate plans for using all energy resources efficiently for maximum outreach to low-income households.

(D) Grantee agencies shall spend the maximum feasible amount of California LIHEAP funds for weatherization assistance, but in no event less than 50 percent of the funds available by grantee. The balance shall be used for cash assistance and energy crisis intervention. The department shall provide grantees with maximum flexibility to use energy crisis and cash assistance funds to resolve energy crisis for households and to serve the maximum number of households. Cash assistance payments may be used as a supplement to federal LIHEAP cash assistance payments.

(6) The department shall, in addition to administering the program, explore, with grantee agencies, standards for determining effective, efficient intake, and procedures to combine outreach for federal, state, and utility low-income energy programs into a single intake process.

(7) For any funds distributed in 2001, the department shall distribute funds as follows:

(A) Funds shall be distributed to have maximum possible impact on reducing energy demand immediately.

(B) First priority shall be to distribute funds through community-based programs with whom it has existing contracts.

(C) If additional capacity is needed beyond the existing network, or if vulnerable populations cannot be served within the existing contracts, the department may develop and RFP process to solicit additional grantees.

(8) The department shall limit administrative costs to not more than 2 ½ percent of the funds expended. For the purposes of this paragraph, "administrative costs" means personnel and overhead costs associated with the implementation of each measure or program. However, "administrative costs" does not include costs associated with the marketing or evaluation of a measure or program.

(h) Each state agency receiving funds appropriated pursuant to this section shall ensure, where appropriate, not less than 85 percent of the funds shall be expended for direct rebates, purchases, direct installations, buy-downs, loans, or other incentives that will achieve reductions in peak electricity demand and improvements in energy efficiency.

(i) On or before January 1, 2002, each state agency receiving funds appropriated pursuant to this section shall provide quarterly reports to the Chairperson of the Joint Legislative Budget Committee, to the chairpersons of the appropriate policy and fiscal committees of both houses of the Legislature, and to the Governor, which include all of the following information:

(1) The amount of funding expended.

(2) The measures, programs, or activities that were funded.

(3) A description of the effectiveness of the measures, programs, or activities funded in reducing peak electricity demand and improving energy efficiency, as measured in kilowatthours of electricity reduced per dollar expended.

(j) To the extent that local government entities may apply for, and receive funds pursuant to this section, and to the extend they otherwise qualify for the funds, federally recognized California Indian tribes may apply for funds appropriated pursuant to this section on behalf of their tribal members, and the applications shall be considered on their merits. Each commission shall ensure that its efforts to provide public information on programs funded pursuant to this section shall include outreach to California Indian tribes.

SEC. 227. Section 24 of Chapter 1127 of the Statutes of 2002 is amended to read:

Sec. 24. (a) Funds that are appropriated in subdivision (b) of Section 2 of Assembly Bill 716 shall be available to the Department of Parks and Recreation for opportunity grants pursuant to that subdivision, and for state capital outlay projects. To the extent the funds are used for a state capital outlay project, the project shall be subject to the State Public Works Board review and approval, pursuant to Section 13332.11 of the Government Code.

(b) Subdivision (a) shall become operative only if Assembly Bill 716 is enacted and becomes effective on or before January 1, 2003.

SEC. 228. Section 2 of Chapter 87 of the Statutes of 2003 is repealed.

SEC. 229. Section 37 of Chapter 80 of the Statutes of 2005 is amended to read:

Sec. 37. On an annual basis, the State Department of Health Services shall provide fiscal information to the Joint Legislative Audit Committee and the Joint Legislative Budget Committee on the funds provided to the contract hospitals participating in the Medi-Cal program, and the health plans participating in the Medi-Cal Managed Care Program, for implementation of nurse-to-patient ratios.

SEC. 230. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2006 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services		48,199,000
Schedule:		
(1.5) 50.20-Victim Services	9,317,000	
(2.5) 50.30-Public Safety	44,453,000	
(18) Reimbursements	−5,571,000	

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.
3. Of the amount appropriated in Schedule (2.5), $300,000 shall be provided to Monterey County for a planning grant consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003.
4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Criminal Justice Projects. In addition, the Office of Emergency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year that provides a list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes in order to assess the state's return on investment for each component of Program 50 for each of the three years displayed in the Governor's Budget.
6. Of the amount appropriated in this item, the Department of Finance may authorize the transfer of up to 5 percent (up to $995,000) of the augmentation for the California Multijurisdictional Methamphetamine Enforcement Teams Program to Item 0690-001-0001 for the purpose of conducting an independent evaluation of the program.

7. Of the funding appropriated in this item, $29,400,000 is for local assistance to support the California Multi-jurisdictional Methamphetamine Enforcement Teams Program. $19,900,000 of this funding is provided on a two-year, limited-term basis.
8. Of the amount appropriated in this item, $400,000 shall be available for grants to any private nonprofit organizations that have previously received funding from the California Innocence Protection Program. Any entity receiving funding under this program shall provide detailed expenditure reports semiannually and annually on the use of funds provided under this program. The Office of Emergency Services shall prepare and submit a report to the Joint Legislative Budget Committee on or before June 30, 2007, on the foregoing information for each entity receiving funding under this program.

SEC. 231. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2007 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services..... 61,949,000
Schedule:
(1) 50.20-Victim Services..... 4,352,000
(2) 50.30-Public Safety..... 57,597,000
Provisions:
1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based nonprofit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of funds from the Gang Violence Suppression-Curfew Enforcement Strategy Program to provide local matching funds of at least 10 percent for the first and each subsequent year of operation. This match requirement applies to each agency that is to receive grant funds. An agency may meet its match requirements with an in-kind match, if approved by the Office of Emergency Services.

3. Of the amount appropriated in Schedule (2), $800,000 shall be provided for grants to counties, consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003. The funds shall be distributed only to counties for planning, or for implementation of the program in those counties that have completed the planning process, consistent with Chapter 18 of the Statutes of 2003. In no case shall a grant exceed $300,000.
4. The Department of Finance shall include a special display table in the Governor's Budget under the Office of Emergency Services that displays, by fund source, component level detail for Program 50, Criminal Justice Projects. In addition, the Office of Emergency Services, in consultation with the Department of Finance, shall provide a report to the Joint Legislative Budget Committee by January 10 of each year that provides a list of grantees, total funds awarded to each grantee, and performance statistics to document program outputs and outcomes in order to assess the state's return on investment for each component of Program 50 for each of the three years displayed in the Governor's Budget.
5. Of the funding appropriated in Schedule (2) of this item, $29,400,000 is for local assistance to support the California Multijurisdictional Methamphetamine Enforcement Teams Program. $19,900,000 of this funding is provided on a one-year, limited-term basis.
6. Of the amount appropriated in Schedule (2), $8,000,000 is in augmentation of the Vertical Prosecution Block Grants for a total program of $16,176,000.

SEC. 232. Section 41 of Chapter 177 of the Statutes of 2007 is amended to read:

Sec. 41. The amendments made by this act contained in clause (ii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 1534, paragraph (2) of subdivision (c) of Section 1569.33, paragraph (2) of subdivision (c) of Section 1597.09, and paragraph (2) of subdivision (c) of Section 1597.55a of the Health and Safety Code shall be suspended for the 2007–08 fiscal year. The State Department of Social Services shall provide information that reflects appropriate indicators to trigger an annual increase in the number of facilities for which the department conducts unannounced visits in future budget proposals. The department shall work with legislative staff, the Legislative Analyst's Office, and interested stakeholders to develop the indicators.

SEC. 233. The Second Section 2 of Chapter 642 of the Statutes of 2007 is repealed.

SEC. 234. Section 72 of Chapter 758 of the Statutes of 2008 is repealed.

SEC. 235. Section 38 of Chapter 759 of the Statutes of 2008 is amended to read:

Sec. 38. On or before February 1, 2009, the Department of Child Support Services shall provide the appropriate committees of the Legislature with trailer bill language to codify the new state hearing process.

SEC. 236. Section 173 of Chapter 717 of the Statutes of 2010 is repealed.

SEC. 237. Section 37 of Chapter 6 of the Statutes of 2011 is repealed.

SEC. 238. Section 38 of Chapter 6 of the Statutes of 2011 is repealed.

SEC. 239. Any section of any act enacted by the Legislature during the 2012 calendar year that takes effect on or before January 1, 2013, and that amends, amends and renumbers, adds, repeals and adds, or repeals a section that is amended, amended and renumbered, added, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, the enactment of this act. The repeal, or repeal and addition, of any article, chapter, part, title, or division of any code by this act shall not become operative if any section of any other act that is enacted by the Legislature during the 2012 calendar year and takes effect on or before January 1, 2013, amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

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